

# INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

\*\*

Paris, Friday, December 15, 1995

No. 35,084

## A Ceremony in Silence Offers a Chance for Peace in a Bitter Rivalry



CONFÉRENCE DE PAIX SUR L'EX-YUGOSLAVIE  
PARIS

Mr. Milosevic, left, as Mr. Tudjman of Croatia and Mr. Izetbegovic of Bosnia shook hands. Mr. Clinton, Mr. Chirac, Helmut Kohl and John Major looked on.

## China's Swagger May Betray Party Weakness

By Patrick E. Tyler  
New York Times Service

BEIJING — Suddenly, it seems like it's China against the world.

At no time since the Tiananmen massacres of 1989 has the Communist Party leadership here been more bellicose and uncompromising toward its adversaries, or seemed as self-congratulatory that its toughness is paying off.

But outward muscular displays may betray weakness, and insecurity at the center of China's collective leadership. Chinese and Western experts believe that the collective leadership, whose ranks of military commanders is ascending, some of them are

pressing for confrontation with the United States and military action to "discipline" Taiwan.

In recent weeks, Chinese leaders have swaggered with self-confidence over a successful — by their measurement — intimidation campaign against Taiwan's pro-independence movement. The pyrotechnic demonstrations of China's military might in and around the Taiwan Strait since

### NEWS ANALYSIS

last summer produced a marginal, but important weakening of President Lee Teng-hui's ruling Nationalist Party in the January elections this month.

On another front, the Communist Party chiefs believe

they have undermined the Dalai Lama's influence in Tibet with Beijing's appointment of a rival Panchen Lama, the second most holy religious figure in Tibet, even as secret police forces hold incommunicado the six-year-old herder's son named by the Dalai Lama in May as the Panchen's living incarnation.

And with the sentencing Wednesday of the country's most famous democracy campaigner, Wei Jingsheng, to 14 years in prison, they have cowed China's pro-democracy intellectuals to submit to indefinite authoritarian rule, or go to jail.

The sentencing came as a shock and sent a big signal

See CHINA, Page 12

## Germans Cut Interest Rates, Setting Stage For Growth

By Nathaniel C. Nash  
New York Times Service

FRANKFURT — Germany's central bank cut its main lending rates Thursday to the lowest levels in more than seven years, which could help a sputtering European economy and perhaps make it easier for the Federal Reserve Board to lower U.S. interest rates.

The Bundesbank said that it had taken half of a percentage point off both its discount and Lombard rates because

Financial markets across Europe rose after Germany's move. Page 13.

growth in the German money supply had fallen far below its targets for the year, because there was no danger of inflation rearing its head and because the Deutsche mark was so strong.

Although bank officials denied the move was directly aimed at stimulating the economy, the rate cut could signal a trend toward easier monetary policy that could free the German economy from falling into stagnant growth next year, aggravating its problems with rising unemployment.

They said the effects of lower interest rates would be strongly felt across Europe.

"You have inflation under control in Germany; you have a struggling business, a weak labor market," said Holger Finkenruth, an economist at the Union Bank of Switzerland in Frankfurt.

"So why not cut rates?"

The bank set its Lombard rate at 5 percent, down from 5.5 percent, and its discount rate at 3 percent, down from 3.5 percent. The Lombard rate is the ceiling at which the Bundesbank lends to commercial banks, while the discount rate generally is the lower

## Who Else Could Pass Maastricht Test?

By Alan Friedman  
International Herald Tribune

PARIS — The United States could. Japan could not. Australia could. But South Korea could not.

It's not easy to meet the conditions needed to qualify for Europe's single currency plan.

And if one takes the criteria that have been laid out in the Maastricht treaty and applies them to non-European countries, it quickly becomes clear that those cri-

teria do not offer any guarantee of prosperity.

In Europe only Germany and Luxembourg would qualify today, according to the European Commission. And this week the Bundesbank warned that even Germany may be coming perilously close to the danger zone.

Strikes in France, meanwhile, have not only paralyzed the country, turning a weak fourth quarter into a disaster, but also have multiplied the already substantial doubts about Paris's ability to meet

the Maastricht criteria in time to join a single currency in 1999.

A number of senior French and German government officials have taken to saying in private conversations that they think France's trouble will eventually result in the need for a face-saving diplomatic solution that would delay the single currency launching by a year or two.

"Some arrangement will have to be found," said a French official close to

See FLUNK, Page 12

## Talk of Currency Delay Grows Louder

By Tom Buerk  
International Herald Tribune

MADRID — European Union leaders arrived here Thursday for a summit meeting intended to reaffirm their commitment to a single currency in 1999, even as some officials conceded privately that a postponement of that deadline seemed increasingly possible.

Despite growing political and economic pressure to put off the date, officials said they feared that formally delaying a single currency so long before the deadline could fatally undermine the credibility of monetary union and weaken the resolve of governments to reduce their deficits.

As a result, officials predicted that EU leaders would renew their commitment to the existing timetable when they met here

Friday to approve a technical blueprint for introducing a single currency in stages from 1999 to 2002.

"If we let dates slip, we won't know what to hold firm to," Prime Minister Jean-Luc Dehaene of Belgium said in an interview in the Brussels daily *Le Soir*.

Chancellor Helmut Kohl and President

See EMU, Page 14

## Mona Lisa, Where Was She?

### Tuscany, Italians Say, Provides the Background

See RATES, Page 14

By Daniel Williams  
Washington Post Service

real portrait, especially since he was an ardent student of nature and conveyor of detail.

Over the years, there have been many claims for the location, as cities and regions try to call Leonardo their own. Mainly the sites are in the Italian Alps, with few, curiously enough, in Leonardo's home province of Tuscany.

Now a pair of amateur art sleuths say that the landscape is as real as *Lisa di Antonio Maria Gherardini*, the *Mona Lisa* herself, the Western world's best-known portrait subject. The pair have combined simple

See MONA LISA, Page 12

## AGENDA

### UN Committee Takes Nigeria to Task

Agence France-Presse

UNITED NATIONS, New York — A UN General Assembly committee Thursday passed a resolution condemning Nigeria for executing nine minority-rights advocates, including the playwright Ken Saro-Wiwa.

The measure passed the Third Committee, 98 to 12 with 42 abstentions. It was to be considered next week by the full General Assembly, which generally follows the lead of its committees.

The condemnation, a weaker version of one sought by the United States, did not call for sanctions such as arms embargoes or withdrawal of ambassadors.

Dow Jones

Down 34.32  
5162.15

The Dollar

DM 1.4384

Pound 1.543

Yen 101.485

FF 4.9525

Trib Index

Up 0.24%  
131.69

previous close

1.4492

1.534

101.85

5.0058

Opinion Page 8

Crossword Page 6

International Classified Page 4

Horoscope Sponsored Section Page 10-24

Winter Pastimes Page 3

The ski report is back, with twice-weekly updates on conditions at favorite resorts.

Today's appears on Page 28.

THE AMERICAS Page 3

Ready for Negotiations on Budget



Winter Pastimes  
The ski report is back, with twice-weekly updates on conditions at favorite resorts. Today's appears on Page 28.

Page 3



## THE AMERICAS

## Republicans Ready for Final Negotiations on Budget

By Eric Pianin  
Washington Post Service

WASHINGTON — House and Senate Republican leaders made a breakthrough in their stalled budget negotiations with the Clinton administration and said both sides were prepared for talks to try to reach an accord on a seven-year-balanced budget plan.

Republicans said the White House had agreed to lay down a detailed balanced budget plan based on the long-term economic and spending forecasts of the Congressional Budget Office, as Republican leaders have long sought. In return, Republicans will offer a major revision of their plan that will include substantial increases in spending for Medicare, Medicaid, education, the environment and other programs

sought by the administration.

Medicare provides health insurance for the elderly and the disabled; Medicaid is a health-care program for the poor.

The White House declined to say specifically what it will present Friday, although one administration official said it may offer a number of ideas rather than a specific balanced budget plan.

"We expect serious negotiations on Friday," said Barry Toiv, a spokesman. "This is what the president has wanted." But officials said that the announcement had less to do with substantive issues than about how the negotiations would proceed.

Republicans and the administration have also agreed to scale back the negotiating team and dramatically

pick up the tempo of talks beginning Friday, when a midnight deadline looms that could lead to another partial government shutdown. Last month, government workers stayed home for four days because of a shutdown over the budget deadline.

"We're very hopeful that we will make substantial progress towards a balanced budget," said the chairman of the Senate Budget Committee, Pete V. Domenici, Republican of New Mexico.

His House counterpart, Representative John R. Kasich, Republican of Ohio, predicted that after several weeks of false starts, "We will have the most serious talks we've seen on this Hill possibly in many decades."

The announcement came Wednesday night after a high-stake game of

cat and mouse, with Republican leaders threatening another government shutdown this weekend unless the administration presented a "real" seven-year-balanced budget plan by Friday.

The Senate majority leader, Bob Dole, Republican of Kansas, conferred with President Bill Clinton by phone in hopes of working out an understanding.

The understanding results from a proposal offered by the House speaker, Newt Gingrich, Republican of Georgia, and Mr. Dole of a budget swap of sorts, with Republicans offering a revised plan with more spending for Medicare, Medicaid, education and other administration priorities in return for a White House plan certified by the Congressional Budget Office to eliminate the deficit by 2002.

"We're actually close enough to get a balanced budget, but I think the president has to take it seriously — and it has to happen now," Mr. Gingrich said.

However, administration officials resisted the proposal earlier in the day, saying the Republicans first must explain how they intend to reconfigure their seven-year-budget-balancing plan in light of new Congressional Budget Office calculations that Republicans could spend an extra \$135 billion and still balance the budget by 2002.

"It's the Republicans' turn to make an offer to show how they would protect our priorities, and then we will offer" a new plan, said the White House chief of staff, Leon E. Panetta. "The key right now is let's not shut the government down at Christmas."

## POLITICAL NOTES

## House Ties Up a Rules Change

WASHINGTON — Newt Gingrich, the House speaker, and other Republican leaders plan to bottle up a proposed rules change that would prohibit House members from earning more than \$20,400 a year in book royalties, a revision urged in reaction to the speaker's million-dollar earnings from his own book.

The proposal came this week from the House ethics committee, which suggested that the speaker had exploited his office for profit and recommended that all royalties earned after Dec. 31, 1995, be subject to the current \$20,400 limit on members' outside income.

The ethics committee called for adoption of the change this month. But Mr. Gingrich said that thorough hearings should precede any action and that other kinds of income now exempt from the limit should also be re-examined. Current rules exempt not only royalty income, but also investment income.

An aide to the Republican in charge of scheduling in the House, Richard K. Armey of Texas, said Mr. Armey, the House majority leader, had told the ethics committee chairman, Nancy L. Johnson of Connecticut, that her proposal should be considered next year, as part of "a whole package of rules changes."

Representative Gerald B. H. Solomon, the New Yorker who is chairman of the Rules Committee, like all Republican members of the committee, was appointed to the panel by Mr. Gingrich. He told the committee that the proposed rules change should be studied by a task force and then perhaps by a rules subcommittee.

Under his contract with HarperCollins for the publication of his book, "To Renew America," Mr. Gingrich gets \$3.60 for each copy sold. No sales figures are available, but HarperCollins has acknowledged shipping 660,000 copies. If 500,000 of them have been sold, Mr. Gingrich's royalties would be \$1.8 million.

## Districts in Georgia Are Erased

WASHINGTON — A federal judicial panel in Georgia has scrapped two of the state's three majority-black congressional districts, underscoring the uncertain fate of districts nationwide that were created to enhance minority representation in Congress.

"I think that this is the opening of the floodgates, the potential to wipe out the Congressional Black Caucus," said Penda Hair of the NAACP Legal Defense and Educational Fund.

Under the new electoral map, two black Democrats would no longer have majority-black voting populations.

The new configuration would also affect two white Republicans, who would lose the bulk of their current constituents.

The 6th District of Newt Gingrich, the House speaker, would remain virtually untouched.

In June the Supreme Court struck down Georgia's redistricting plan, saying the notion of equal opportunity was corrupted when legislative districts are drawn by purposely grouping together people on the basis of race.

## Quote/Unquote

Craig Pahl, 47, a resident of heavily Republican Orange County, California: "The truth is, I believe the Democrats have more compassion than the Republicans. But I believe there is more compassion among Republicans on the moral issues. So Republicans need to be a little more compassionate."



Jorge Moya/Reuters  
HONDURAN SHOOTING — A protester being put on a stretcher after a gunman fired on a group of relatives of missing people in San Pedro Sula, Honduras, who were demanding that President Carlos Reina investigate.

## Senate Panel Demands Whitewater Notes

The Associated Press

WASHINGTON — A bitterly divided Senate panel voted Thursday to give a former presidential aide less than 24 hours to turn over his disputed Whitewater notes, rejecting a last-minute White House offer to provide the documents with certain conditions.

The Senate Whitewater Committee's 10-to-8 vote, along partisan lines, came as the dispute between President Bill Clinton and the Republican

controlled Congress inched closer to a court battle.

The committee gave the White House and a former aide, William Kennedy, author of the notes, until 9 A.M. Friday to produce the records.

If they refuse, the panel would very likely seek Senate permission to challenge the administration in federal court.

Republicans sought to draw parallels between Mr. Clinton's claim that the notes, which involve real estate dealings, are

protected by attorney-client privilege and President Richard Nixon's attempts to withhold documents during the Watergate scandal.

The White House relented Thursday morning just as the panel prepared to vote, saying it would turn over the notes and also let senators question the four presidential aides who attended the meeting led by David

Kendall, a private lawyer.

However, it insisted on attorney-client privilege and stated that the Clinton's private attorneys at the meeting could not be questioned, that the committee would have to agree that the meeting was privileged, and that senators would have to get other investigative bodies, including Whitewater prosecutors, to agree to the terms.

## New Hope for Stroke Victims

## If Given Fast, Drug Can Prevent Disability

By David Brown  
Washington Post Service

caused by blood clots, which either form in a blood vessel in the brain or travel there from elsewhere in the body.

Twenty percent of patients who did not get t-PA had a full recovery from their stroke when evaluated by neurological examination three months later. Of those who got t-PA, 31 percent recovered. Three other measurements of daily functioning were also used and they showed a 30 percent to 50 percent greater likelihood of recovery in t-PA patients.

T-PA treatment can make a real difference to patients' neurological outcome, and to their normal daily functioning, said Thomas Brott, a physician at the University of Cincinnati and one of the leaders of the study, at a news conference on Wednesday.

The key variable in the new treatment is time. The brain is damaged much more quickly by a loss of blood flow than are the heart, abdominal organs and most other body tissues. A stroke-causing clot must be dissolved a few hours after it forms if brain cells are to be rescued.

Patients were eligible for the study only if there was a reasonable expectation that they would be treated within three hours of the onset of symptoms, which typically consisted of sudden weakness in one part of the body, or difficulty speaking.

Today, only about 1 percent of people with stroke seek medical attention that quickly.

The new treatment also requires physicians to use a potent drug whose occasionally disastrous complications cannot be undone once they occur.

Bleeding into the brain occurs 10 times more often in stroke patients getting t-PA than in

those getting placebo. Despite that, death rates in the two groups of patients in the study were about the same.

Although it is now certain that clot-dissolving drugs help most heart attack patients if given within six hours of the onset of symptoms, many physicians are reluctant to prescribe them because of their risk. As with stroke patients, the most feared complication is bleeding in the brain.

T-PA treatment can make a real difference to patients' neurological outcome, and to their normal daily functioning, said Thomas Brott, a physician at the University of Cincinnati and one of the leaders of the study, at a news conference on Wednesday.

The key variable in the new

treatment is time. The brain is

damaged much more quickly

by a loss of blood flow than are

the heart, abdominal organs and

most other body tissues. A

stroke-causing clot must be

disolved a few hours after it forms

if brain cells are to be rescued.

Patients were eligible for

the study only if there was a

reasonable expectation that

they would be treated within

three hours of the onset of

symptoms, which typically

consisted of sudden weak

ness in one part of the body,

or difficulty speaking.

Today, only about 1 percent

of people with stroke seek

medical attention that quickly.

The new treatment also

requires physicians to use a

potent drug whose occasionally

disastrous complications can

not be undone once they occur.

Bleeding into the brain occurs

10 times more often in stroke

patients getting t-PA than in

those getting placebo. Despite

that, death rates in the two

groups of patients in the study

were about the same.

Although it is now certain

that clot-dissolving drugs help

most heart attack patients if

given within six hours of the

onset of symptoms, many physi

cians are reluctant to prescribe

them because of their risk.

As with stroke patients, the

most feared complication is

bleeding in the brain.

T-PA treatment can make a

real difference to patients'

neurological outcome, and to

their normal daily functioning,

said Thomas Brott, a physician

at the University of Cincinnati

and one of the leaders of the

study, at a news conference on

Wednesday.

## Away From Politics

Researchers say they have demonstrated for the first time the ability to immunize rats against some of the stimulant effects of cocaine, opening up a potential new treatment for drug addiction. Scientists at the Scripps Research Institute in San Diego said they had inoculated rats with an artificial cocaine-like substance that triggers the production of antibodies to cocaine. The antibodies, they say in the journal *Nature*, act as biological "sponges" that bind with cocaine and reduce the amount of the drug available in the blood that can reach the brain.

FBI agents are questioning a railroad contractor, John Ernest Olin, 32, in their search for the person responsible for sabotaging an Amtrak train in Arizona in October. One person was killed in the crash and 78 were injured. (AP)

A judge in Columbia, South Carolina, has ordered Tonya Kline, a 15-year-old girl with a history of delinquency, to remain chained to her mother — 24 hours a day, seven days a week — for a month. Family Court Judge Wayne Creech refused to comment on the case, citing ethical reasons. (AP)

For the best car rental prices there's only 1 place to go.

Planning your next trip home?

Hertz makes it even easier. Whether for a day, a week or for a month, Hertz will provide you with quality cars and unbeatable service at unbelievable prices.

**Hertz**

Hertz cars and vans, boats and other fine cars.

**Cartier**

JEWELEERS SINCE 1847

LONDON - NEW YORK - GENEVA - MILAN - MUNICH - HONG KONG - TOKYO  
and one hundred and forty Cartier stores in major cities worldwide.

## ASIA

# Australia Tightens Bond to Jakarta

## Security Pact Will Defend Their 'Common Interests'

Compiled by Our Staff From Dispatches

**SYDNEY** — Australia announced Thursday that it would sign a security agreement with Indonesia next week that allows for consultation on joint responses to outside challenges.

Prime Minister Paul Keating made the announcement at a news conference in Canberra. He said the accord, discussed over the last 18 months, was "a serious and important step for both countries."

"The long-term strategic interests of Australia and Indonesia coincide," he said.

"The agreement asserts in formal terms for the first time that Australia and Indonesia have common interests in the peace and security of the region and that we intend to cooperate in support of those interests."

The prime minister said the agreement, to be signed at a ceremony in Jakarta on Monday, committed the two countries to consult each other when either state or their security interests were adversely challenged and "if appropriate, consider measures that might be taken individually or jointly."

Mr. Keating said the term "adverse challenges" applied "only to external

challenges, not those that might arise from internal developments."

The agreement also commits the countries to consulting "on a regular basis about matters affecting their own security" and to promote "cooperative activities in the security field," he said after the deal had been accepted by the cabinet.

Australia and Indonesia pose no threat to each other, Mr. Keating continued, and it was "important that be understood by the people of each country."

He said the accord had "treaty status, but it is not a defense pact, which implies a military response."

It does not mean Australian troops would automatically be involved in the defense of Indonesia.

Since he became prime minister in 1991, Mr. Keating has stressed the importance of developing links with Asia and Indonesia in particular.

Defence and political analysts were nevertheless surprised by this further move toward Indonesia, which Australia opposed during its confrontation with the then-Malaysian federation in the 1960s.

There was also concern when Indonesia invaded and later annexed the former Portuguese colony of East Timor in 1975, and

the takeover has proved a constant irritant in bilateral relations.

"This is a surprise. It is a major step. We are more than neighbors, we are defense partners," said Carlyle Thayer, who heads the political department at the Australian Defense Force Academy.

The conservative opposition supported the pact. "This is a sensible move that builds on Australia's significant defense cooperation activities with Indonesia," said the coalition's leader, John Howard.

Jose Ramos-Horta, the Australian-based spokesman for Fretilin, the East Timorese independence movement, expressed "great concern" about the agreement.

"We hope that this treaty does not imply that Australia would hand over to Indonesia East Timorese who are in this country and who might be regarded by Indonesia as a threat," Mr. Ramos-Horta said.

"This is another step in strengthening a security-political relationship between a democracy and a dictatorship," he added. "We find it difficult to comprehend."

Foreign Minister Gareth Evans and his Indonesian counterpart, Ali Alatas, will sign the agreement Monday, at a ceremony with Mr. Keating and President Suharto.

(AFP, AP)



Yonhap/Newsphoto/Associated Press  
Seoul policemen restraining a protester at Mr. Choi's house on Thursday.

## BRIEFLY ASIA

### Southeast Asians Ban Nuclear Weapons

**BANGKOK** — Southeast Asia will officially become a nuclear weapon-free zone Friday when leaders of the Association of Southeast Asian Nations sign a treaty to ban the possession, manufacture and purchase of nuclear arms.

But the seven-member group has indicated it will amend the treaty's protocol — a supplement that other countries will be invited to sign — to avoid offending the world's five declared nuclear powers: China, Britain, France, Russia and the United States.

President Fidel V. Ramos of the Philippines said Thursday that the agreement should be modified to respond to the worries of the nuclear powers, some of which have expressed reservations over the implications for territorial rights in the region's seas. The accord bans the

testing or use of nuclear weapons and the dumping of nuclear waste in waters around ASEAN countries. It also sets out guidelines for monitoring nuclear power safety.

The treaty will allow the "innocent passage" of foreign warships that may be carrying nuclear weapons. Ships passing through the region's waters or docking in its ports will be allowed to go through if they show no warlike intentions. (Reuters)

**North Korea to Sign Reactor Deal**

**SEOUL** — North Korea will finally sign a agreement with a U.S.-led consortium in New York on Friday to provide it with two light-water nuclear reactors, a South Korean government official said Thursday.

The official, a member of a task force here for the consortium, the Korean Peninsula Energy Development Organization, gave no further

details on the hard-won agreement for the supply of the two 1,000-megawatt reactors, which has taken more than a year to work out since the signing of an accord in Geneva in October 1994. (AP)

## VOICES From Asia

**KUNIHIKO SAITO**, Japan's ambassador to the United States: "Given that 1996 is a presidential election year, there is a possibility of the United States becoming increasingly inward-looking and losing interest in its international role." (Reuters)

**Yukio Kurita**, governor of the Japanese prefecture where a fast-breeder reactor was shut down after an accident last week: "I feel betrayed." (AP)

# Business Chief In South Korea Wins Release

Compiled by Our Staff From Dispatches

**SEOUL** — The chairman of the Hanbo Group was released from detention Thursday for medical reasons before his trial next week with former President Roh Tae Woo on bribery charges.

Chung Tae Soo, the chairman of Hanbo, a steel and construction group that is South Korea's 15th largest conglomerate, has been accused of offering bribes to Mr. Roh and helping him launder some of the \$654 million he confessed to amassing during his 1988-1993 term.

An official said that Mr. Chung, 72, was suffering paralysis of the right side, high blood pressure and diabetes.

"It is not a stroke; he just showed signs of being very weak," the official said.

Mr. Roh remains at the Seoul Detention Center and faces charges of accepting \$369 million in kickbacks from 35 business conglomerates. Mr. Roh has acknowledged collecting a slush fund but denies that money was paid as bribes.

The trial of Mr. Roh, Mr. Chung, the chairman of seven other conglomerates and six other people is scheduled to start Monday in Seoul. The other defendants are not in custody; Mr. Chung was arrested because the statute of limitations on his alleged crimes was about to expire.

Also Thursday, a South Korean opposition lawmaker accused another former president, Choi Kyu Hahn, of improperly accepting money from his successor, General Chun Doo Hwan. Mr. Choi was caretaker president from October 1979 to 1980, when he was replaced by the general.

Kang Chang Sung, a member of the Democratic Party, said he had evidence, which he would give to prosecutors, to back up his accusations about Mr. Choi.

"I have information that ex-President Choi received huge amounts of money from Mr. Chun," Mr. Kang said.

Mr. Choi has refused to appear before prosecutors probing General Chun's rise to power and a massacre of democracy advocates in 1980. The general is now being held on mutiny charges. (Reuters, AFP)

## INTERNATIONAL CLASSIFIED

## ANNOUNCEMENTS

## MOVING



FOR A FREE ESTIMATE CALL  
PARIS (1) 39201400

Attention visitors  
from the U.S. I



If you enjoy reading the IHT  
when you travel, why not  
also get it at home?

Same-day delivery available  
in key U.S. cities.

Call (1) 800 882 2884  
(in New York call 212 732 3890)

Herald Tribune  
THE WORLD'S LARGEST NEWSPAPER

## PERSONALS

Pray the rosary daily. It works. GM.

## FRIENDSHIP

ESTATE GIRLS: Attractive women from Eastern Europe, 20-35, 5000-6000 francs. Call +33 1 40 54 31-32. 43/09/61 Monday to Friday

International  
Herald Tribune  
ads work

## OFFSHORE BANKS

INSURANCE COMPANIES  
COMPANIES & TRUSTS

## ASSET PROTECTION

## IMMIGRATION/PASSPORTS

## TRADE - FINANCE

## ASTON CORPORATE

## TRUSTEES LTD

## 19 Paul Laffitte, 75016 Paris, 5th Fl.

Tel: (33) 1 42 62 5971

London: (1) 222 73 9464

Fax: (33) 1 222 73 9479

## BUSINESS OPPORTUNITIES

## OFFSHORE COMPANIES

## SWITZERLAND

## For commercial activities

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## REAL ESTATE

## Long Term Capital

## Supported Companies

## Funding Problems?

## VIE &amp; CAPITAL

## EUROPE

# Snubbed by Yeltsin, a Young, Popular Reformer Seeks His Revenge

By Lee Hockstader  
Washington Post Service

MOSCOW — They were Russia's whiz kids, the best and brightest of the *perestroika* generation. None was quite old enough to recall the 1962 Cuban missile crisis as more than a hazy childhood memory.

When Boris N. Yeltsin was elected as Russia's first president, he ignored the doubts about their youth, inexperience and Western leanings and put them in charge of his government. Suddenly, Moscow's bratty thirty-somethings were prime minister, finance minister and chief of history's largest privatization program.

All except one. Grigori A. Yavlinsky, a curly-haired economist with a sharp intellect, big ego and driving ambition, was passed over for a top job. He never forgot it.

Now Mr. Yavlinsky, 43, is poised for his comeback. The other whiz kids have lost their jobs or popularity in the tumult of Russia's economic transition. Mr. Yavlinsky alone kept his footing, untainted by ties with an unpopular government.

To many here, he is the last, best hope for reform in Russia.

"I'm trying to rely on the inner feeling of the Russian people that Russia can't, simply can't, go back to the past," he said. "It would mean total disaster and collapse for Russia."

In parliamentary elections Sunday, Mr. Yavlinsky's party, the most popular reform bloc opposed to Mr. Yeltsin's government, is expected to do well. Polls suggest the party, Yabloko, will be one of the top four or five vote-getters in a field heavily stacked with extremists of left and right.

But to Mr. Yavlinsky, the real goal is not the Parliament but Russia's presidential election in June. His campaign for president begins in mid-January, he said. And by all accounts, he wants the job badly.

Mr. Yavlinsky, a former Communist who spent eight years as a Soviet government economist, made a splash in 1990 when he helped devise a sweeping plan for radical economic change that Mikhail S. Gorbachev rejected. He resigned from the government a few months later, hoping in vain to be recruited by Mr. Yeltsin.

He is cut from the same ideological cloth as the young reformers Mr. Yeltsin did hire. At the heart of his program is rapid privatization, land reform and better conditions for private investment.

Unlike the others of his generation, however, Mr. Yavlinsky starts off with a huge advantage: As a critic of the government, he is not widely associated with the hardships that many Russians have suffered in the economic upheaval.

That gives him a rhetorical free hand that Mr. Yeltsin's Young Turks were stripped of long ago. He has used it to argue for expanding privatization and to suggest that government spending can make the bitter pill of reform easier to swallow.

"Reform may be painful but must have some results," he said in fluent English. "I would use an American expression which I like very much: No pain, no gain. But gain — the people must have a future. If in the end you have only corruption and crime and collective farms and a small group of people — maybe 3 to 5 percent, mainly the previous party leaders — who have gained from the reforms, then the other 95 percent have no visible results."

"They are the outsiders, and I'm with them. In this sense, I'm an insider."

That sort of populism has helped Mr. Yavlinsky win a considerable following. Young and telegenic, a former boxer who won 43 of 46 fights as a teenager, he has outperformed Mr. Yeltsin in polls for the past two years. These days he is rivaled as a presidential favorite only by Alexander Lebed, a gruff former army general who is also a harsh critic of the government.

Despite his status as an opponent of the government and the generally favorable treatment he receives from Russia's reform press, Mr. Yavlinsky has had his critics.

Among them are Moscow's liberal elite, who blame him for splitting the progressive vote by forming his own party rather than joining that of Yegor Gaidar, Mr. Yeltsin's first prime minister.

Rumors separately in parliamentary elections in 1993, Mr. Yavlinsky's and Mr. Gaidar's parties were outpolled by the ultranationalist Vladimir Zhirinovsky. Had they run together, the numbers suggest they could have beaten Mr. Zhirinovsky.

Mr. Yavlinsky insists that any alliance with Mr. Gaidar, the architect of some of Mr. Yeltsin's harshest economic moves, would cost him nearly half his backers.

And even his allies think Mr. Yavlinsky could use the aide of a political consultant who could help him defeat perceptions that he is soft, untested, arrogant and out of touch with working people. Mr. Yavlinsky has so far refused.

Moreover, Mr. Yavlinsky, who grew up in Ukraine, near the border with Poland, is half-Jewish. That is a potential liability in a country with a long history of anti-Semitism and a nationalism.

He has discussed that openly while trying to paint himself as an underdog and an outsider.

"For everybody who hates Jews in Russia, I'm a Jew," he said. "For everybody who hates Russians, I'm a Russian. For everybody who hates Tatars in Russia, I'm a Tatar. For everybody who hates Christians in Russia, I'm a Christian, because I am Russian."

He added, "We'll see what the response will be."

## BRIEFLY EUROPE

**U.K. Tightens 'Mad Cow' Controls**

LONDON — The British government, facing growing anxiety that people might catch "mad cow disease" from eating beef, on Thursday tightened slaughterhouse and export controls.

The new rules forbid any use of the spinal column in "mechanically recovered meat" — the ground-up parts left after a cow is butchered. They also forbid the export of those products for human consumption.

The scare started in 1986 when Bovine Spongiform Encephalopathy, or mad cow disease, swept through British herds, causing cattle to behave strangely — stumbling, weaving their heads about — and, finally, dying. (Reuters)

**Panel to Open Work on IRA Arms**

BELFAST — A panel will begin Friday to devise possible ways of ridding Northern Ireland of guerrilla weapons and paving the way for permanent peace in the province.

The three-man team, headed by George J. Mitchell, a former U.S. senator, was formed by London and Dublin after 16 months of peace was threatened by a dispute over the Irish Republic's Army giving up its weapons.

Britain insists it will not invite the guerrillas' political wing, Sinn Fein, to all-party peace talks until the IRA gives up its arsenal. Officials hope the Mitchell team will find a route around the arms impasse. (Reuters)

**Papandreou in Stable Condition**

ATHENS — Prime Minister Andreas Papandreou of Greece was in stable condition on Thursday and breathing without the help of a respirator, a hospital bulletin said.

His kidneys were still being supported by dialysis, the statement said. Mr. Papandreou, 76, has been hospitalized since Nov. 20 with lung and kidney failure brought on by pneumonia. (Reuters)

**Indecision Marks Austria Vote**

VIENNA — With three days to go before Austria's most unpredictable election in years, opinion polls on Thursday gave a boost to Chancellor Franz Vranitzky.

Mr. Vranitzky's Social Democrats, still Austria's biggest party despite its relatively poor showing in last year's general election, maintained a six-point lead over their nearest rivals with 34 percent, the weekly magazine *News* said.

The conservative People's Party, blamed by the Social Democrats for bringing down the government in October in a dispute over the 1996 budget, received 28 percent support. The research institutes Gallup, ISMA, OGM and IFES, in the last polls before Sunday's vote, also showed Jorg Haider's far-right Freedom Party in third place with 24 percent. The polling organizations stressed that a third of Austria's 5.7 million voters remained undecided. (Reuters)

**Bonn Opposition Seeks Inquiry**

BONN — The opposition Social Democrats called Thursday for a judicial inquiry into the role of a senior aide to Chancellor Helmut Kohl in the smuggling of weapons-grade plutonium into Germany.

The Social Democrats have several times sought the resignation of the aide, Bernd Schmidbauer, secretary of state in Mr. Kohl's office in charge of coordinating the secret services.

A party spokesman said the Social Democrats also wanted an investigation of the German intelligence agency, the BND. The opposition media reports have accused the BND of staging the smuggling of 363 grams of plutonium 239 into the country to demonstrate the danger posed by traffic in nuclear material from the former Soviet Union. (AFP)

**Calendar**

European Union events scheduled for Friday:

LUXEMBOURG: European court decision in the Bosman case governing the transfer of professional footballers in the European Union.

LUXEMBOURG: A European summary tribunal hears a complaint from three Tahitians against a European Commission decision not to take France to the European Court for alleged infringement of the Euratom Treaty.

MADRID: EU summit meeting opens.

SOURCES: Agence Europe, AFP

## As Vote Begins, Battle Erupts in Chechnya

The Associated Press

GROZNY, Russia — Russian helicopters shelled the outskirts of Chechnya's second-largest city, Gudermes, on Thursday after rebels were reported to have seized a hospital and other installations on the first day of elections.

At least 10 Chechens and five Russian soldiers were killed after rebels fired on a Russian armored convoy sent to the town, 30 kilometers (19 miles) east of Grozny, the Interfax news agency quoted an Interior Ministry official as saying.

The rebels had seized a hospital and railroad station in the town.

Thursday was the beginning of voting in Chechnya for a new leader of the republic and for

representatives to Russia's Parliament.

The election is formally Sunday, but Chechnya's Russian-backed authorities decided to start it early because of the difficulties in staging the vote.

The Chechen president, Dzhokhar Dudayev, who is not among the three Moscow-sanctioned candidates, has said he will annul the vote but will not disrupt it. His rebels have vowed to boycott it.

The fighting Thursday was some of the worst in Chechnya in months, Russian news agencies said.

Russian reinforcements were being sent to Gudermes. Interfax said, and helicopters and artillery were striking Chechen positions outside the city.

## Dini to Call For Votes On Budget

Reuters

ROME — The Italian government said Thursday it had called for two parliamentary confidence motions to try to push through the 1996 budget, but former Prime Minister Silvio Berlusconi and his allies promised to vote against them.

The government, in an attempt to end the parliamentary filibustering that has put forward 2,000 amendments, presented two "umbrella" confidence votes and said it was thinking of proposing a third.

Voting was expected to take place on Friday. The result was unpredictable as smaller parties considered which way to go.

A government victory would sweep away all the amendments, paving the way for the budget to be passed by both houses of parliament by the end of the year. A loss would collapse the government.

Prime Minister Lamberto Dini has promised to offer his resignation once the budget has cleared Parliament. But with no decision as yet on what might happen next, the center-right is seeking to speed up his demise.

Mr. Berlusconi, leader of the center-right parties in Parliament, and his rightist ally, Gianni Franco Fini, said they would offer a united front in opposing the government motions.

But junior partners in the coalition, whose misgivings over the timing of elections have already caused cracks in the alliance, warned that trying to block the budget was a dangerous move.

Once the budget is passed and Mr. Dini has offered to resign, the deeply divided Parliament must decide whether to dissolve itself for a general election three years ahead of schedule or allow Mr. Dini to steer Rome's important turn at the European Union presidency, which begins Jan. 1.

## Valuable every day.

## Priceless throughout the year.

It's remarkable how many international business people find the International Herald Tribune gives them a valuable perspective on world affairs. Whether it's politics or sports, finance or the arts, the International Herald Tribune ensures you get a fully rounded daily picture of what's going on.

The International Herald Tribune pocket diary complements the newspaper throughout the year. Compact, intelligently designed, smart and full of useful, authoritative facts and figures, it's a priceless accessory for the busy business person. And yet at just £22, it's exceptionally good value.

Measures 13 x 8 cm (5½ x 3½) • Black leather cover with gilt metal corners • Week-at-a-glance format printed on French blue paper with gilded page edges • Notable dates and national holidays in over 90 countries; world time-zone tables; international telephone dialing codes and country prefixes; conversion tables of weights, measures and distances • Blue ribbon page marker • Removable address book • Each diary packed in a blue gift box • Blue notepaper sheets fit on the back of the diary — a simple pull removes top sheet; 100 refill sheets include. • Corporate personalization and discounts available. For details, fax Paul Baker at (44-181) 944 8243.

Please send me \_\_\_\_\_ 1996 IHT Pocket Diaries.

Price includes initials, packing and postage in Europe.

1-4 diaries UK £22 (U.S. \$34) each INITIALS

5-9 diaries UK £20.50 (U.S. \$32) each up to 3 per diary

10-19 diaries UK £18 (U.S. \$28) each

Additional postage outside Europe £4.50 (U.S. \$7)

£5.75 (U.S. \$8.90) per package plus postage

Payment is by credit card only. All major cards accepted.

Please enclose my credit card:

Access  Amex  Diners  Eurocard  MasterCard  Visa

Mail or fax this order form to: International Herald Tribune Offers, 37 Lambton Road, London SW20 1LW, UK. Fax: (44-181) 944 8243.

Card No. \_\_\_\_\_ 15-12-95

Exp. \_\_\_\_\_ Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City/Code/Country \_\_\_\_\_

Tel/Fax \_\_\_\_\_

Company EU VAT ID No. \_\_\_\_\_

**International Herald Tribune**

THE WORLD'S DAILY NEWSPAPER

JOEL

The Bosnia Accord / Now, Back to the Balkans

# History, However Revised, Holds Unkind Lessons for Bosnia

By Roger Cohen  
New York Times Service

PARIS — The Bosnian war was long sustained by the manipulation of history, used by the parties to justify acts of barbarism and by Western powers to explain their prolonged inaction. Thursday, as a treaty was signed here to end the worst conflict in Europe since World War II, history was once again a theme, and the varied allusions to it suggested the fragility of the peace.

President Bill Clinton, abruptly changing his views on Bosnian history, tried to portray

## NEWS ANALYSIS

a society long distinguished by understanding between different ethnic and religious groups. "Bosnia," he said, "once found unity in its diversity," adding that the lives there of Muslims, Orthodox Serbs, Catholic Croats and Jews were "woven together by marriage and culture."

It was a remarkable turnaround for the president who, as recently as the June summit meeting of the world's major economic powers in Canada, portrayed the Bosnian war as intractable because it was rooted in hatreds going back "at least, to the 11th century."

In fact, the truth about Bosnia lies somewhere between the history of harmony elaborated Thursday by the president and his former allusions to a 1,000-year-old war. It would take a considerable stretch of the imagination to see Bosnia's past as a natural beacon to peace.

A terrible civil war that took hundreds of thousands of lives was fought within Bosnia during World War II. A series of revolts wracked the area in the 1870s. The movements of Croatian and Serbian nationalism that have marked Balkan history over the past two centuries have long caused moments of unease within Bosnian society, as the Croats and Serbs of Bosnia wrestled with their identity.

Above all, the country has no recent independent history of peaceful existence on which to build. For centuries it has been ruled either by outside imperial powers or by the Communist authorities of Yugoslavia.

Thus the settlement Thursday is really an attempt to invent a new country. Independence in April 1992 led immediately to war. The state never came into being because it immediately came under assault from the Serbs. That was destroyed and polarized a unique society, one that has indeed known the harmony President Clinton described, but also one that has not governed itself in peace for centuries.

This reality gives a measure of the challenge facing the 20,000 American troops who are going to Bosnia as part of a North Atlantic Treaty Organization force to police the peace. Even greater, perhaps, will be the challenge facing the international civilian authorities who

## The settlement is really an attempt to invent a new country.

will try to organize democratic elections and put in place a police force that can assure security for refugees returning home.

They will be working in a Bosnian state that officially has two armies — one Serbian and one of the Muslim-Croatian federation — but in reality has three: one Serbian, one Croatian and one mainly Muslim. They will also be working in a state where words like "democracy" and "freedom" are more slogans than conditions that people understand.

The reluctance of the different forces to come together to form the single multiethnic Bosnian state backed by the United States and Western Europe was evident in the words

of Franjo Tuđman, the Croatian president. At a moment of peace, he chose to devote almost all his speech to an account of Balkan history that dwelt heavily on division and violence.

He dismissed the former Yugoslavia as a failed attempt to bring together "peoples belonging to different cultural spheres." These divergent spheres, he argued, were evident as early as the Roman Empire, whose line of division between what he called "Western-Roman and Eastern-Byzantine" parts ran through the Balkans.

In plain terms, what Mr. Tuđman was saying was that the Catholic Croats and Eastern Orthodox Serbs never belonged in the same state. They were culturally incompatible, Western proto-Europeans in Croatia and Eastern hordes in Serbia.

That, in Mr. Tuđman's argument Thursday, is why Yugoslavia fell apart during World War II and why only the Communist authority of Tito could hold it together after that. Communism's collapse in Europe led in turn to what Mr. Tuđman called a "Yugo-Communist aggression" aimed at creating "a Greater Serbia" that swooped down on Croatia and Bosnia-Herzegovina.

Turing to his nominal allies, the Muslims of Bosnia, Mr. Tuđman was disparaging. He described them as a religious group that had been reinvented as a "separate ethnic entity" by Tito in an attempt to use them as a buffer between Serbs and Croats. This attempt, he added, was a failure.

The bits of history that Mr. Tuđman left out were perhaps as interesting as those he chose to dwell on. These included the genocidal assault on Serbs by the puppet-Nazi Croatian state during World War II and his own provocations to Croatia's Serbian minority in the period preceding the Croatian war. But all the history — averred and unspoken — scarcely suggested a future of Balkan harmony.



Women from Vukovar, Croatia, after lighting candles Thursday at a wall facing UN headquarters in the capital, Zagreb. Each brick carries the name of someone who has been killed or is missing in the Bosnian conflict.

## War-Crime Suspect's Least Fear: NATO Indicted Croat Rules Fiefdom Under Allies' Gaze

By John Pomfret  
Washington Post Service

KISELJAK, Bosnia — Ivica Rađić's favorite coffee bar, the Café Jerusalem, sits just a stone's throw from the new NATO headquarters in this

Bosnian Croatian town on the outskirts of Sarajevo. The other day he lingered there over a double espresso while two French officers downed cognac at a table nearby. What was strange about the scene was that Mr. Rađić is a wanted man. He was indicted by the International War Crimes Tribunal in The Hague in September on charges of slaughtering Muslim civilians in 1993.

But the former Croatian militia chief in this area said he is not afraid of arrest by the NATO soldiers.

"What can NATO do to me?" he asked with a big smile. "I run this town."

As NATO begins to deploy 60,000 troops to Bosnia to carry out the peace plan that was signed Thursday in Paris, dealing with local chieftains and alleged war criminals such as Mr. Rađić is bound to be a headache for the alliance.

If NATO troops track these men, they could wind up with a deadly assignment, similar to the failed efforts of UN peacekeepers in Somalia to capture General Mohammed Farrah Aidid in 1993. Eighteen American soldiers died in one part of that effort. But if NATO does nothing to loosen the grip on local power that Mr. Rađić and others like him have, then the U.S.-led yearlong peace mission here could turn out to be only an interlude, allowing them time to stock up on weapons, bullets and fuel until war resumes.

Mr. Rađić's case also illustrates another troubling development since last month's conclusion of the Bosnia peace deal in Dayton, Ohio.

Until Dec. 5, the mustachioed former officer in the Yugoslav Army was in jail in the south Bosnian city of Mostar on charges of killing five Croatian men in Kiseljak in the summer of 1993. At the time, Mr. Rađić was a leader of a Croatian faction that favored waging war against the Muslims. His alleged victims opposed fighting the Muslims and supported the Muslim struggle against the Serbs.

Mr. Rađić allegedly had tried to persuade them to join him and his men in attacking the

Muslim village of Stupni Do, near the central Bosnian town of Vares. They refused and ultimately died for their beliefs. Mr. Rađić carried out the attack on Oct. 23, 1993, and the war crimes tribunal contends, took part in the slaughter of at least 16 civilians while burning down their houses.

Mr. Rađić denied killing civilians in Stupni Do, calling the action "a purely military affair."

He was arrested in June by Croatian special police, who arrived by helicopter from Mostar to take him into custody. Although murder was the charge, Bosnian sources said the real reason was that Mr. Rađić had been holding up military cooperation between the mostly Muslim Bosnian Army and the Croatian militia. At the time, the Muslims were trying to break the Serbs' siege of Sarajevo, and Croatian help was critical to their task.

But earlier this month, after a court session in Mostar, Mr. Rađić was released. According to participants, the prosecution was not allowed to call any witnesses. Only those backing Mr. Rađić were able to take the stand.

"It was a just decision," Mr. Rađić said. "I'd like to thank those who supported me."

Senior Bosnian Croatian politicians had pledged to hand Mr. Rađić over to the war crimes tribunal, according to Christian Chardier, a spokesman for the court.

The U.S. ambassador to Croatia, Peter Galbraith, called Mr. Rađić's release "outrageous."

## Balkan Leaders' Remarks

The Associated Press  
Following are excerpts from the remarks of the presidents of Bosnia-Herzegovina, Serbia and Croatia at the signing in Paris of the Bosnian peace accord:

Alija Izetbegovic  
Of Bosnia

I would like to pay tribute to the American government, the American Congress and President Clinton for their endeavors — past, present and future — so that war be brought to an end in this region and peace be ushered in.

My government is taking part in this agreement without any enthusiasm, but as someone taking a bitter yet useful potion of medication.

That being said, may I add that the signing of this agreement is being done with full sincerity on our part, and the agreement will be duly respected.

Slobodan Milošević  
Of Serbia

Of course it does not solve all problems between people who have been at war for years. But I am convinced that the common language will be found, so that people may be able to live in peace.

As to the implementation of the peace agreement and the role of the international peace force, the key to success in the mission is even-handedness. Just as partiality is the key to failure.

I wish all the people in the former Yugoslavia a lasting and enduring peace.

Franjo Tuđman  
Of Croatia

I am bold enough to state that the signing ceremony here in Paris is a historic and momentous event.

The international community should well reflect that the crisis took on such proportions that it was no longer possible to solve it on a regional level.

The crisis was spurred by deep-rooted reasons, essentially the signing of the Treaty of Versailles, but going back even further to the dissolution of the Roman Empire into the western and eastern empires, not to mention the Ottoman invasion.

The signing of this agreement is a major stride forward, which should make it possible to end one of the most serious political and military crises of our day.

To subscribe in Switzerland just call, toll free, 155 57 57

## Clinton on Thin Political Ice in Bosnia

### Pivotal Decision Was Made Before Building a Consensus

By R. W. Apple Jr.  
New York Times Service

WASHINGTON — The grudging congressional acceptance of the involvement of U.S. troops in Bosnia gives President Bill Clinton only the flimsiest political cover on an issue that could still torment him.

The debate exposed a broad vein of doubt and anxiety about the whole enterprise, and while neither the Senate nor the House of Representatives, both deeply divided, was ready to thwart the president's will, they were equally unwilling to give any ringing endorsement.

The Senate voted Wednesday night for the deployment of American troops, 69 to 30, on the condition that the United States lead an international effort to arm and train the Bosnian Muslims.

The Senate later defeated a resolution to support the troops but oppose Mr. Clinton's decision to send them. The House approved a similar resolution. In earlier votes, both houses beat back attempts to cut off funding for the troops.

The congressional uncertainty testified to Mr. Clinton's failure to build a genuine constituency for his Balkan strategy on Capitol Hill or in the nation as a whole. He left that until very late, pledging early to take part in a peacekeeping operation if a workable peace could be achieved but then talking for months and years mainly about avoiding U.S. involvement.

As part of a flurry of speeches, statements and interviews designed to build support, he tried Wednesday to draw a distinction between what he avoided and what he is doing now.

"For three years, I refused to commit our troops in the war," he told Tom Brokaw of NBC News. "But almost from the beginning of my presidency, I said

that I thought we should be part of preventing a peace agreement."

Yet, peacekeepers can also be drawn into combat, especially under the rules of engagement in Bosnia, permitting a robust response to provocation.

Mr. Clinton has not sold the American people on the virtues of sending ground troops to Bosnia. In the Times/CBS sur

vey, only 36 percent said it was "the right thing" to do, while 58 percent said the troops should be kept out of the Balkans. It was not that people do not understand the rationale — 51 percent said they did — but that they do not accept it.

Public support for President George Bush's campaign in the Gulf was also limited at this stage. It built steadily as U.S. troops won a series of victories. But there will be no derring-do in the Balkans, just the thankless work of keeping mortal enemies from each other's throats.

As it has with other troop commitments in the last two decades, the specter of Vietnam hovers in the background.

"His re-election hangs in the balance in Bosnia, and we all know it," a top White House official said.

There is danger for Republicans as well.

Senator John S. McCain, Republican of Arizona, and Senator Bob Dole of Kansas, the majority leader, are backing Mr. Clinton, and for their pains they have become the targets of intense criticism from congressional colleagues and constituents alike.

It is Senator Dole, the leading candidate for the Republican presidential nomination next year, who has the most at stake. He is the front-runner in New Hampshire, which holds the nation's first

primary, but his support has not solidified, and many voters remain unconvinced. A poll taken there last week showed him with the backing of 30 percent of Republican voters, but when his stance on troops in Bosnia was explained, the figure dropped to 24 percent.

So why are Mr. Clinton and Mr. Dole, a pair of political survivors, putting themselves in such potentially perilous positions, especially when both have spent much of the last three years struggling to stay clear of the Balkan quagmire?

Because they fear that if they do not, the already strained NATO alliance may come apart.

Already, the Western European allies are dubious about American resolve and reliability in the post-Cold War era. A visitor to France and Britain last month was peppered with questions about neo-isolationism in the United States.

"You're behaving as if you have a toy army that mustn't be used because some of the soldiers might break," said an outspoken British ambassador.

The Clinton administration promised many months ago that if a peace agreement was reached in Bosnia, the United States would send troops. To renege now, American officials argue, would be to abandon the leadership role in the North Atlantic Treaty Organization.

The pivotal decision was made before any real debate began. Once the United States had committed itself to contribute troops in the wake of an agreement, the die was cast.

No American government would be likely to go back on such a commitment, which is why Republicans long identified with the foreign-policy establishment have swung behind the president.

In that sense, the current debate is just window-dressing.

## ESCORTS &amp; GUIDES

## BELGRAVIA

## ORCHIDS

LONDON PARIS CANNES MUNICH  
GENEVA ZURICH  
Escort Agency, Call, Welcome  
Int'l Travel Service Available  
TEL: 0171 589 5237

## INTERNATIONAL ESCORTS

Service to travel anywhere  
Tel: 212-667-7810 New York, USA  
Major Credit Cards Accepted

## ELITE

Escort Service  
NEW YORK CITY  
1-800-444-6667

## SABLE INTERNATIONAL

Escort Service, London  
0171 510 4041

## CHELSEA ESCORT SERVICE

51 Beauchamp Place, London SW1  
Tel: 0171-584 6513

## INTERNATIONAL CLASSIFIED

(Continued From Page 4)

## VIENNA • PARIS • COTE D'AZUR

ZURICH • GENF • HIGH SOCIETY

International Escort &amp; Travel Service

Vienna 1010, Paris 75008, Zürich 8000

GENEVA PARIS RIVERA &amp; MONTAÑA

FRANKFURT • ZURICH • BELGRADE • PRAGUE

EUROCONTACT Int'l Sport &amp; Travel

Service, Call Vienna +43-1-212 04 31

LONDON ESCORT SERVICE

TEL: 0171 722 5008 Credit Cards

\*\*\*\* EXECUTIVE \*\*\*\*

LONDON ESCORT SERVICE

TEL: 0171 722 5008 Credit Cards

THAI ESCORT SERVICE

TEL: 0171 359 9227

LONDON ESCORT SERVICE

TEL: 0171 359 9227

L

## Christmas is, above all, about Peace on Earth.



## Everywhere on earth.

We at Opel have been wishing our fellow Europeans a Merry Christmas for more than a century. Yet only in recent years have we been able to offer these greetings on a much larger scale, as global car makers. Opel is now present on five continents - we'll add number six in '96. And this year we expect to ship or assemble some quarter-million cars outside Western Europe. In addition, our designers and engineers are developing

automobiles that can fully qualify as "world cars." The fun-to-drive Corsa, for example, is now on the highways of over 60 countries. The combination of distinctive design, a class-leading safety package and outstanding value for money, evidently knows no frontiers.

Of course, this global presence includes quite a few countries where Christmas is not a holiday at all, or even a season to be jolly. Still, as a company that takes its world-

wide commitments to heart, we feel that this would be an excellent time to wish all people of good will, wherever in the world they may be, a Happy, Prosperous and Peaceful New Year.

**OPEL** 



## OPINION/LETTERS

## Don't Become Befuddled By Result of Russia Vote

By William Safire

NEW YORK — Here is General Punditsky with my insider's forecast of Sunday's Russian election, including how to instantly analyze results, also what it will all mean.

"The Communists are coming!" is what your American headlines are screaming. Polls say Communist Party will win 25 percent of party vote for seats in the Duma. This noisy Parliament is our version of UN General Assembly — all talk, with real power remaining in Kremlin — but its election is like snow blowing in wind about presidential election next June.

No big deal to predict Communist "victory." With 55 million voters and 35 million hungry pensioners, any party looking back to old days of command economy will win surely vote. Forget Chechnya, forget Bosnia, forget near abroad — only issue here is hard times and whose fault.

Boris Yeltsin's fault. His party is headed by Prime Minister Viktor Chernomyrdin, big gas man. Has control of state television and Western model Claudia Schiffer in his ads. Also he is favorite of Bill Clinton (but Miss Schiffer means more). Polls predict Yeltsin party to run second, but I doubt.

As is well known, only pleasure left to most Russians is to lie to policemen, journalists and pollsters. Anyway, no polls can be published from now to Election Day; better to trust Punditsky for insights.

As example: Not for nothing did Chernomyrdin pull out of debate this week with Grigori Yavlinsky. Yavlinsky saw how that reformer ground up the Communist Gennadi Zyuganov like sausage in TV debate last week, and told Chernomyrdin not to tangle with him. So why you ask, is not democratic reformer Yavlinsky ahead in polls? Because democracy is now dirty word in Russian means big promise of new day, but country run by the Mafia, with pensioners jealous of moneymakers who can afford meat. So Yavlinsky drops intellectual talk and promises end to poverty. Also got haircut.

Crazy Vladimir Zhirinovsky still has angry irredentist backers, and his TV ad using striptease artist was catchy, but a Yeltsin prosecutor just exonerated General Alexander Rutskoi to help him cut into the vote of Zhirinovsky. (Does Bob Dole encourage Pat Buchanan in same way, to cut into Phil Gramm vote?)

Women's party will do well; has top spot on ballot of 43 parties. But American reporters are most fascinated with General Alexander Lebed; he is what you call loose cannon, secretly at war with Yuri Skovik, his party chief. He is like star striker on soccer team, ready to jump to another party to be candidate for president in June.

That is only real meaning of this preliminary election. Next week we will see what politicians are popular, what parties are organized; next June we will see what kind of government Russia will have.

Therefore, do not be befuddled by first stories about percentages won by parties. That's only for half the Duma delegates; the other half are local candidates who will decide what blocs to join.

I predict that after one month, less than one-fourth of Duma will be Communist-agrarian; nearly half will be Yavlinsky's reformers, Yeltsin's former reformers, centrist industrialists, and the women; the rest will be nationalists, militarists, beer lovers, lost souls and opportunists.

But these blocs in powerless Parliament will not decide direction of Russia. That power stays in Kremlin.

The blocs in Duma will set stage for June's big election. The blocs will be fluid, with Communists and Yavlinskyites and Lebedists crossing ideological lines to make sure the Yeltsin-Chernomyrdin party in power does not postpone presidential election.

Many of Duma Outs will join to counter any attempt of Kremlin Ins — worried about being prosecuted for corruption — to try to steal power in a coup.

Am I worried? No; Russia may be temporarily poor, but it has free media, restrained army and many courageous Punditsky. In this Duma exercise, we have stumbled into a system of primary elections, perfecting candidates and shaping parties for presidential election.

And if you are tempted to laugh at our 43 parties, we can boast a democratic refinement unknown to you. The 44th line on our ballot enables Russian voters to cast vote for "none of the above." Wouldn't Americans like to have such an opportunity?

Of course, it would be awkward if that party won.

*The New York Times.*



## LETTERS TO THE EDITOR

## Franc Fixation

Regarding "French Mistakes Come Home to Roost" (Finance, Dec. 8):

The writer quotes Roland Cayrol as saying that most of the French would prefer to let the franc slide and go for growth rather than to cut the budget deficit to prepare for a single European currency.

This mistakes a precondition for an alternative. Letting the franc slide and going for growth is not an alternative but should be a precondition for the tough budget cuts and for the reforms of the tax, welfare and pension systems that are needed if France is to meet the Maastricht criteria for a single currency.

And if you are tempted to laugh at our 43 parties, we can boast a democratic refinement unknown to you. The 44th line on our ballot enables Russian voters to cast vote for "none of the above." Wouldn't Americans like to have such an opportunity?

Of course, it would be awkward if that party won.

*The New York Times.*

growth should they have gone for the Maastricht criteria. Although the needed reforms will never be popular, they would be much less difficult to swallow if employment were high. Instead, the present government is attempting to impose austerity during a recession. The results of this folly can be seen on the strike-racked streets of Paris.

The writer concludes that it is not yet too late for President Jacques Chirac and Prime Minister Alain Juppé to change their policies. Let us hope so!

JOHN E. RAY.  
Fontenay-Trésigny, France.

## Objects to Ads

I deeply object to the Herald Tribune's running advertisements that defend the tobacco industry. As a former smoker, and having lost several relatives and friends to diseases caused directly by smoking, I consider these ads to be inconsiderate

and immoral. What they espouse is dangerous to the public health.

JOHN LONG.

Saint Affrique, France.

## Princess Diana's Gift

Regarding "Bored by Princess" (Letters, Nov. 29):

How does anyone dare to trivialize the Princess of Wales for being brave enough to talk about her bulimia? Anorexia and bulimia claim many lives every year and destroy even more families, who helplessly watch their daughters and sons going through these nightmare diseases.

The princess has by coming forward given a God-sent gift to everyone who is fighting to survive their bulimia.

As for the royal family, it had already damaged its reputation long before the princess gave her interview.

SUSANNE M. LUTTERBECK.

Lugano, Switzerland.

## A Brilliant Young Idealist Left Her Mark on Many

By Colman McCarthy

WASHINGTON — Among the 1994 graduates of the Harvard School of Public Health, few had as glowing a record of academic excellence or as bright a promise of service in medicine as Vineeta Rastogi. The 26-year-old epidemiologist from Maryland was chosen by her classmates to be their commencement speaker, an honor to which she responded with 15 minutes of eloquence and idealism.

"Sectarianism," Ms. Rastogi said, "is the worst disease we face. Rwanda saw 200,000 people hacked to

## MEANWHILE

death in less than a month. No disease is that cruel, that uncaring, that unremitting. Even doctors and nurses who are not killed by the hatred must flee from it. Our work, public health, becomes irrelevant when hate-filled strife becomes the norm."

They didn't marry right away. After the Peace Corps, and after having had her eyes opened to the need for medical help for rural poor people, Vineeta enrolled in the Harvard School of Public Health. Incipiently, she understood a truth that often sails 10 feet over the heads of idealists: To do good, you need a skill. Don't answer the call to service with only sentiment, answer it with a usable talent.

For Vineeta that would be epidemiology: learning how diseases spread in a given population and how to prevent or eliminate them. Some astute professors at Harvard, aware that for some students moments of revelation are as likely to come outside the classroom as in, encouraged Vineeta to move beyond Cambridge as much as possible.

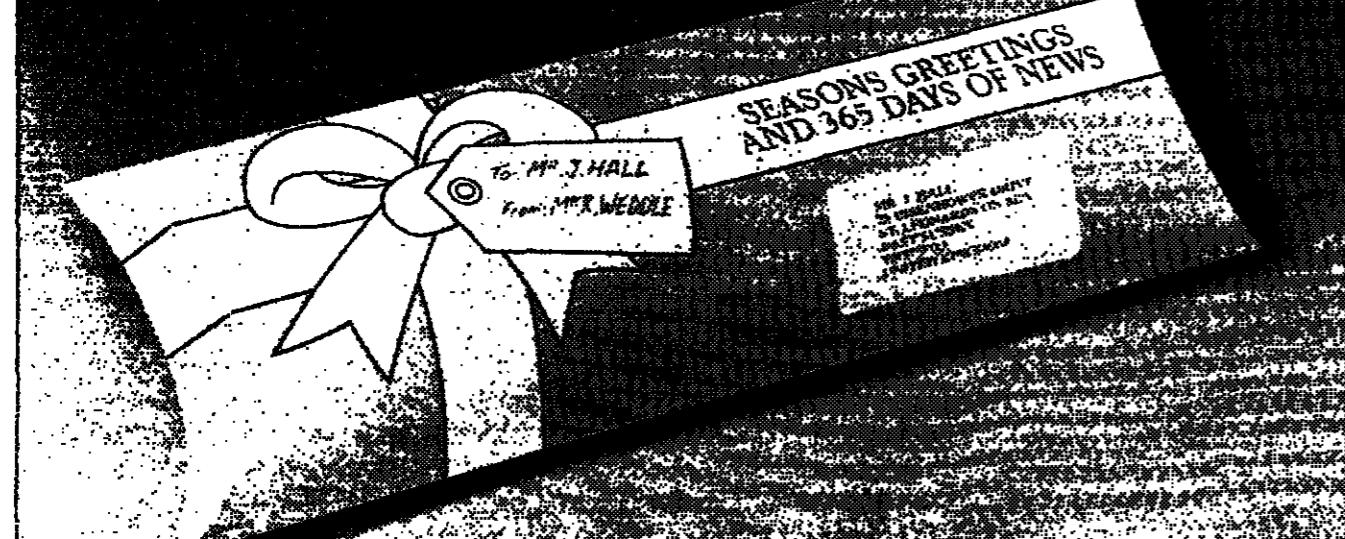
And did she. In the summer of 1993, she and Brian went to Vietnam, bicycling 1,000 miles from south to north, visiting health clinics and hospitals along the way. During spring break that year, she was in El Salvador interviewing doctors and nurses who treated victims of land mines. She spent time in health clinics in Cuba and India.

For all of this, and for being one of the rare ones who aimed higher than high, the deans of Harvard honored Vineeta at graduation with the Albert Schweitzer Award. It was fitting. At Maryland, one of the essays that most stirred Vineeta was the missionary physician's "Teaching Reverence for Life," and in particular these lines: "No one has the right to take for granted his own advantages over others in health, in talents, in ability, in success, in a happy childhood or congenital home conditions. One must pay a price for all these boons. What one owes in return is a special responsibility for other lives."

Vineeta knew what she owed. And public health, one of the highest callings of all, was her plan to pay in full. She started well, by going all over and going all out.

*The Washington Post.*

## THE WORLD'S DAILY NEWSPAPER EVERY DAY FOR A YEAR.



Is there anyone you know who shares your international outlook and interest in world affairs?

Then what better gift could you send them than 365 days (6 days a week) of the International Herald Tribune's unique coverage of global events?

Thanks to our powerful news-gathering network, we offer an unrivaled perspective on international affairs, opinions, trends and influences.

As a bonus we are offering IHT in a special seasonal package, at the rates outlined in the following table. And, if you are an existing subscriber you will be awarded automatically a free week added to your subscription for every month you buy on behalf of a friend.

Country/Currency	12 months FREE	2 months FREE	SAVINGS +4 weeks FREE	6 months FREE
Austria	A. Sch.	6,000	1,411	3,200
Belgium	B. Fr.	14,000	3,457	7,200
Denmark	D. Kr.	3,400	833	1,900
Finland	F. M.	2,400	540	1,300
France	F. F.	1,950	450	1,070
Germany	D. M.	700	163	385
Greece	Dr.	75,000	17,111	41,000
Great Britain	P. M.	230	53	125
Ireland	P. M.	470,000	104,000	260,000
Italy	L. Fr.	14,000	3,457	7,700
Luxembourg	L. Fr.	770	183	420
Netherlands	N. Kr.	3,500	833	1,900
Norway	N. Kr.	47,000	10,850	26,000
Portugal	Pt.	48,000	11,160	25,500
Spain	Pts.	55,000	12,875	26,500
Irish delivery - Madrid	S. Kr.	3,100	750	1,900
Sweden (osmial)	S. Kr.	3,500	833	2,000
Irish delivery	S. Fr.	610	143	335
Switzerland	S. Fr.	485	108	245

For other European countries

\* For information concerning local delivery in major German cities call toll free 800 577 Germany ext. 0130 84 85 85 or ext. 020 175 413. Under German regulations, a 2-week free period is granted for all new orders.

You, I would like to give the gift of an International Herald Tribune subscription to a friend. The subscription term I prefer is (check box):

12 months (plus 2 free months)

6 months (plus 1 free month)

I enclose a check for the relevant amount (payable to the International Herald Tribune). Please charge my:  American Express  Diners Club  VISA  MasterCard  Access  Eurocard Card No. \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Signature: \_\_\_\_\_

For business orders, please indicate your VAT No. \_\_\_\_\_ VAT No. H0472001124

For existing subscribers only: Please invoice me  If you know your subscription number, please write it here: \_\_\_\_\_

My name is: \_\_\_\_\_

Job title: \_\_\_\_\_

My address is: \_\_\_\_\_

City/Code: \_\_\_\_\_ Country: \_\_\_\_\_

Tel no.: \_\_\_\_\_ Fax no.: \_\_\_\_\_

I would like to give the IHT to:  Mr.  Mrs.  Ms.

Family Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Job title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/Code: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

Please tick if you do not wish to receive mail from other companies.

Mail or fax to: International Herald Tribune, 181 Avenue Charles de Gaulle, F23221 Neuilly Cedex, France. Fax: (+33 1) 41 43 92 10 OR CALL (+33 1) 41 43 93 61 via the

**International Herald Tribune**

THE WORLD'S DAILY NEWSPAPER



## THE GOOD NEWS FOR EUROPE'S HIGH-FLYERS.

BBC World is a high quality 24 hour international news and information television channel providing impartial in-depth analysis of the headlines as they are made, and getting right to the heart of world events - explaining not only what happens, but why. It broadcasts news as it happens around the world on the hour, every hour, 24 hours a day, seven days a week, along with a range of first class and intelligent documentaries, as well as stimulating general interest programmes such as "Top Gear" and "Film '95".

To be better informed...watch BBC World.

**BBC**  
**WORLD**  
IN DEPTH. IN FOCUS. INFORMED.

For further information call your local cable operator, or call London: (+44) 181 576 3061  
For information on airtime sales and sponsorship opportunities call: Nick Cerugoli on: (+44) 171 580 5420

BBC World is distributed in Continental Europe by European Channel Management, a joint venture of BBC Worldwide Ltd., Thames Television Ltd. and Cox Programming. BBC World is a trademark of the British Broadcasting Corporation.

## THE MOVIE GUIDE



Steve Martin in "Father of the Bride, Part II"; Bancroft, left, Robert Downey Jr., Durning and Cynthia Stevenson in "Home for the Holidays."

**Father of the Bride, Part II**

Directed by Nancy Meyers and Charles Shyer. U.S.

The 1991 box-office hit "Father of the Bride," a passable little caper, was essentially an enjoyable excuse for Steve Martin's comic reactions — those rubbery facial contortions, that horrified glint in the eyes. The other characters, including Kimberly Williams (Martin's daughter), Diane Keaton (his wife), Martin Short (the decorator) and George Newbern (the accused suitor), were merely conduits, excuses to get Martin steamed and flabbergasted. Well, the cast is back for "Father of the Bride, Part II," but the sequel (based on "Father's Little Dividend," the 1951 sequel to the 1950 Spencer Tracy "Father of the Bride") comes and goes with an extended whimper. Make that two whimpers. After Martin is buffeted with the news that his daughter is pregnant, he takes an even tougher blow to the chest. His wife's expecting too. It seems the older couple's recent, amorous bout in the kitchen cooked up more than they bargained for. The movie is more like an over-cute primer on family love than an outright comedy. Martin's comic charisma, which kept the first movie alive, is buried under a banal avalanche of trite comic situations. He has a few fleeting moments, his face registering those familiar double takes. When Martin has to contend with the inevitable delivery room finale doped up on sleeping pills, the situation speaks all too ironically for the movie: The flesh is willing but the script is weak. (Desson Howe, WP)

**Home for the Holidays**

Directed by Jodie Foster. U.S.

When Claudia Larson (Holly Hunter) goes from Chicago to Baltimore to visit her family for Thanksgiving, her parents (Charles Durning and Anne Bancroft) are poised at the airport gate, ready to film her arrival with their video camera. "I can see your roots, Claudia," her mother whispers sweetly during the car ride home. The car is marooned in traffic just then, so Claudia lingers longingly into a neighboring car. A stranger, apparently another adult

child who has just been nabbed by his parents, is mouthing a cry for help. "Float just float." That's how Claudia counsels herself during the course of this visit, but "Home for the Holidays" is not about floating. It's about being forced back into the bosom of a family that Claudia, a single mother and newly fired art restorer at a Chicago museum, has obviously gone to great lengths to escape. Staged with such smothering verisimilitude that 64 holiday turkeys were used during production (leftovers were sent to food banks), the film creates a bustling, overbearing family and a set of holiday comic options. (To name just one: the arrival of a crazy aunt, played by Geraldine Chaplin, who brings a 40-year-old secret and an M&M-topped Key lime pie.) With enough wisdom this could be funny and poignant; with too much nuttiness, it's "National Lampoon's Thanksgiving." The spirited but uneven "Home for the Holidays" winds up somewhere in between. (Janet Maslin, NYT)

**Feast of July**

Directed by Christopher Menaul. U.S.

When Bella Ford (Embeth Davidtz), an English Victorian woman in deep trouble, arrives on foot and exhausted in a grimy industrial town, the place is a soot-stained imitation of Dickensian shabbiness. Here is where she believes the man who impregnated and abandoned her resides. With its ugly brick factories and cobblestone streets littered with horse manure, the town is so forbidding that it projects a palpably ominous presence in "Feast of July," even when it is subsequently shown in more flattering light. "Feast of July," a Merchant-Ivory production, has the same muted tone, psychologically sensitive performances and care for period detail that characterize the team's other movies. But for all its intelligence, the film rarely catches fire. Davidtz, who is best remembered for her role in "Schindler's List," gives a workmanlike performance, but her character still remains too much of a blank. She is the Victorian Lady With No Name, a woman with a modern sensibility trapped in the wrong century. (Stephen Holden, NYT)



## Souvenirs and Stocking Stuffers

International Herald Tribune

We asked some far-flung correspondents what gift they would take to friends abroad, or what they'd like to receive from their neck of the woods. Money was no object, nor was seriousness required.

## LONDON

The National Trust has celebrated the new Beatles CD by buying Paul McCartney's family home in Liverpool. Others moved by one last gasp of Beatlemania can take their cash to The Beatles Shop, just down Mathew Street from the site (as the building is gone) of the Cavern Club. Billed as the world's largest purveyor of Fab Four paraphernalia, its unique offerings range from, at £1,500 (\$2,300), a John Lennon erotic lithograph, to foot-high rag dolls of the lads (£4). What arguably might have ranked as Britain's most sought after stocking stuffer — the official video of the "I-want-to-be-queen-of-people's-hearts" interview with Princess Diana — is not to be. The planned £19.95 cassette has apparently fallen victim to that most British of afflictions: good taste. "Once we finally saw the content we realized it was not suitable for a to-have-and-to-hold item," said a BBC spokesman. "It was all a bit gritty, you know." (Erik Ipsen)

## MADRID

Can't decide which bottle of Rioja to give? The 1996 edition of Spain's most comprehensive wine-buying guide should help. The "Guia de Vinos Gourmets 1996" describes 2,500 Spanish wines, neatly classified by winery and with new color maps of the appellations, such as Rioja or Jerez. The book (2,400 pesetas, or \$19.50) is in Spanish but it's easy to follow the tasting panel's ratings on a 10-point scale. The book also lists its 1996 awards. Winery of the year? CUNE, from Rioja. Best young red? Artadi, from Rioja. Best aged red? The 1990 Remelluri, from Rioja. (Al Goodman)

## WASHINGTON

A gift with a particularly Washingtonian touch is the "Literary Masterworks" necklace from the Smithsonian catalogue (\$35). The all-silk tie, in handsome hues of gold and sepia against a navy blue background, depicts shelves of leather-bound antique books such as might be found in the Smithsonian libraries. Newt Gingrich, the volatile and book-loving speaker of the House of Representatives, is known to count the Masterworks cravat as one of his favorites. (Brian Knowlton)

## ITALY

For the knowing nose, not mere truffles this year but an entire Mediterranean landscape, miraculously captured in a spray

bottle for *Hortus Mirabilis* of San Quirico d'Orcia by Luigi Gianelli, known locally as *il mago*, the wizard. With its overtones of citron, pine, orange flower, rock rose, bergamot and lavender, *Macchia Mediterranea* will quietly imbue the room with more happy memories than any amount of holiday snaps and videos can hope to do. The secret lies in the sapient (and to my knowledge unique) use of entirely natural ingredients, fixing-agent included, which means that both the room fragrance and the fine, subtle toilet waters adapt to their surroundings or the person who wears them and don't leave overpowering wafts in their wake, like so many fashion perfumes do. (Kate Singleton)

## BELGIUM

Beer is to Belgium as wine is to France, and at this time of year the selection gets even wavier with the seasonal bières de Noël, generally even darker and stronger than the usual brews. The store 400 Bières Artisanales (174 Chaussee de Wavre, 1050 Brussels, tel: 512-17-88) does customized gift baskets that can include, for example, the truly local tipple of three small breweries: Quintine de Noël (Brasserie Ellezeloise, 75 Belgian francs for 33 centiliters), a bitter, drier beer made from purified malt; the caramelized Nico Chouffe from the Ardennes (Brasserie d'Achouffe, 198 francs, 55 centiliters); and the sweet Stille Nacht (De Dolle Brouwers, 96 francs, 33 centiliters), whose makers ("The Mad Brewers") produce just four beers a year, on a seasonal basis. (Barbara Rosen)

## NEW YORK

If you're looking for that quintessential gift to memorialize the Big Apple, don't expect much from the big department stores except a brand name in your face — although it can always be argued that such commercialism is the real New York. Saks one-ups its tony competitors for \$35 with a charming 5-inch snow globe containing models of the Empire State Building and other landmarks including (of course) Saks' Fifth Avenue store, atop a music box tinkling the Sinatra standard, "New York, New York." Tiffany's, more tasteful, offers a crystal Big Apple paperweight for \$60. More useful would be the gift of an annual membership to the city's great art museums (\$40 for the Met, \$75 for the Modern) which combines free admission with advance notice of exhibitions and other activities worth planning a trip around. But nothing can substitute for the real thing, and this correspondent's favored gift is a \$4 ticket to the observatory atop the Empire State Building. (Lawrence Malkin)

## SOUTHERN FRANCE

All I want for Christmas is a sachet — no, a huge garbage bag full enough to make a mountain on my dining room table

## SWITZERLAND

Give the Matterhorn. For those who dream of but could never climb Switzerland's icily aloof and sharp-edged pyramid, the ultimate gift is a helicopter tour of the 4,477-meter summit close to the rock walls, glaciers and ridges that challenged climbers and claimed lives from the first ascent. (Air Glaciers, in Valais offers a 45-minute trip from Sion airport for 1,052 Swiss francs, or \$900. They have gift vouchers.) At lesser prices, you find replicas of the Matterhorn on Swiss chocolates, postcards, old posters and sundry kitsch. There have been attempts to sell the Matterhorn by the chunk but Zermatt quickly put a stop to that. (Mavis Guindon)

## PARIS

The mood is not festive. Forget Champagne, foie gras, chocolate truffles and those awful bâches de Noël. This is the year to give Zola to those who want to read about when "the workers" really suffered, or Proust, for those who never want to hear about "the workers" again. For nostalgists of the '60s, which as we know ended with the émeutes of 1968, try the new 21-CD set (we're not making this up) that represents the lifetime oeuvre of Sylvie Vartan, once married to Johnny Hallyday (about 1,800 francs, or \$360). For another kind of nostalgia, there's the two-CD set "Petit Papa Noël" by the immortal Corsican tenor Tino Rossi (254 francs): "Little Father Christmas/ When you come down from the sky/ With toys by the thousands/ Don't forget my little shoe." (Katherine Knorr)

## BOOKS

AMERICA ON RECORD:  
A History of Recorded SoundBy Andre Millard. 413 pages.  
\$59.95; paperback, \$17.95.  
Cambridge University Press.

## THE BOX: An Oral History of Television 1920-1961

By Jeff Kisseloff. 624 pages.  
\$27.95. Viking.

Reviewed by Tim Riley

TECHNOLOGY drives the story of 20th-century pop culture. But the way people play with it, buy and sell it, and dream up new uses for it tells us more than the science. Two key mediums — recorded sound and television — now have new histories that describe the way these devices influenced behavior and shaped attitudes about culture. "America on Record: A History of Recorded Sound," by Andre Millard, and "The Box: An Oral History of Television 1920-1961," by Jeff Kisseloff, share important themes, such as how some of the most visionary technicians get the least credit, and how

quickly their breakthroughs become taken for granted. Most entertaining to discover is the generally backward way in which these new contraptions replaced the old.

"Edison's original idea for motion pictures," Millard writes, "was as a visual accompaniment for recorded sound: the sound was the important thing." And as incomprehensible as it may seem from our vantage, early television suffered a long programming drought before enough advertisers were convinced that the medium was profitable. Only after the networks linked the coasts in 1951 did the general public begin investing in home sets to watch "I Love Lucy" and "The Milton Berle Show."

"America on Record" begins with Edison's acoustic phonograph and charts the development of recorded sound machines through the electric era of the Victor company's Orthophonic, up to today's digital compact discs. Although Millard's style is dryly academic, he is thorough and blessedly succinct, covering the rapid-fire advances of the past hun-

dred years without sacrificing the telling detail or clarifying insight. He notes how all three of recorded sound — acoustic, electric and now digital — were inspired by various attempts to capture and save phone messages. As far as inventions go, the phonograph, radio, video and compact disk are footnotes to the development of the telephone answering machine.

Millard also shows how consumers' needs eventually dictated engineering decisions and research priorities, although the early visionaries resisted the dictates of the market.

Thomus Edison and his teams of inventors in Menlo Park, New Jersey, were only a few of the many characters competing in the fever of patent and price wars that helped turn his gramophone and later Eldridge Johnson's Victrola into worldwide phenomena. "America on Record" is a handy source book about the contributions of little-known but important industry people such as Fred Gaisberg, who used his experience in the company labs of Volta, Columbia and Berliner to travel abroad and establish London's

first recording studio. Later Berliner's chief talent scout and recorder, Gaisberg wound up recording the great Enrico Caruso in Milan.

The history of television is downright capricious. Kisseloff's history of "the box" is told as a succession of personal stories, which makes his book a chatty boxabout a chattybox. Studs Terkel doesn't just provide the storytelling mode, he's a prominent voice recalling his work as a live actor on Chicago's early television stage.

Although littered with anecdotes meant to debunk the "golden age of television" myth, "The Box" instead — perhaps inevitably — winds up romanticizing it.

Kisseloff conducted more than 500 interviews to fill these pages, but only the most farraginous TV buff will want to wade through the entire story sequentially. In fact, you could wish Kisseloff had had Millard as an editor, to help bring shape to the cacophony, underline TV's watermarks, and work toward an economy of means that the TV industry itself has rarely achieved. If the book's key charm is the way it re-creates

television's chaotic early days, its weakness is that its selection of witnesses is necessarily based on who's still alive and who consents to appear. Too many of the interviewees add very little new information or can't answer all the questions a reader wants to ask. You want Sid Caesar to join Imogene Coca in the discussion of "Your Show of Shows," and Art Carney to fill in the blanks left by Jackie Gleason. By closing the book at 1961, Kisseloff's collection also won't resonate with many of TV's contemporary viewers.

For his part, Millard could have used more anecdotes of the kind Kisseloff stockpiles. While he traces the combination of chance discovery and collective effort that went into sound reproduction, the tone of "America on Record" is stiffer than vinyl. Somewhere in between these two books there's a history of 20th-century gadgets waiting to be written that explains the intricacies of the technology without sacrificing any of its pleasures.

Tim Riley, author of "Hard Rain: A Dylan Commentary," wrote this for The Washington Post.

## WHAT THEY'RE READING

John Towers, managing director of the Rover Group, is reading "MG" by F. Wilson McColl.

"As a teenager I could tell you the bore and stroke of most car engines. This book is a history of MG — all the way from the original Morris carriages — that gives you all the color and tonal qualities as well as the technical details." (Erik Ipsen, IHT)

television's chaotic early days, its weakness is that its selection of witnesses is necessarily based on who's still alive and who consents to appear. Too many of the interviewees add very little new information or can't answer all the questions a reader wants to ask. You want Sid Caesar to join Imogene Coca in the discussion of "Your Show of Shows," and Art Carney to fill in the blanks left by Jackie Gleason. By closing the book at 1961, Kisseloff's collection also won't resonate with many of TV's contemporary viewers.

For his part, Millard could have used more anecdotes of the kind Kisseloff stockpiles. While he traces the combination of chance discovery and collective effort that went into sound reproduction, the tone of "America on Record" is stiffer than vinyl. Somewhere in between these two books there's a history of 20th-century gadgets waiting to be written that explains the intricacies of the technology without sacrificing any of its pleasures.

Tim Riley, author of "Hard Rain: A Dylan Commentary," wrote this for The Washington Post.

By Alan Truscott

IN the diagramed deal from the American Contract Bridge League's Fall Nationals, Benito Garozzo's three-dimensional bid showed an unspecified five-card minor suit and West thought it right to show diamonds by doubling. East later doubled three no-trump to call for a diamond lead and Garozzo, with maximum values for his one no-trump opening and a good five-card suit, confidently redoubled.

He held up his diamond ace until the third round, crossed to dummy with a spade lead to the queen and took a club finesse. If this lost he would have been defeated by at least one trick, but the gods were kind. He then crossed to dummy with another spade lead, preserving the ace as an entry to his own hand, and repeated the club finesse. He then cashed the club ace, surrendered a club to East's king, and had nine sure tricks.

In the replay the opposing South made three no-trump in more risky fashion. He won the second diamond lead rather than the third, with the ace capturing

the king, and crossed to the spade queen for a club finesse.

He then tested the spades by playing the ace and king and repeated the club finesse. When neither black suit divided evenly, he led the diamond ten and forced West to lead from the heart king at the finish. But Garozzo's team gained 8 imps because of the double and redouble.

He held up his diamond ace until the third round, crossed to dummy with a spade lead to the queen and took a club finesse. If this lost he would have been defeated by at least one trick, but the gods were kind. He then crossed to dummy with another spade lead, preserving the ace as an entry to his own hand, and repeated the club finesse. He then cashed the club ace, surrendered a club to East's king, and had nine sure tricks.

In the replay the opposing South made three no-trump in more risky fashion. He won the second diamond lead rather than the third, with the ace capturing

the king, and crossed to the spade queen for a club finesse.

He then tested the spades by playing the ace and king and repeated the club finesse. When neither black suit divided evenly, he led the diamond ten and forced West to lead from the heart king at the finish. But Garozzo's team gained 8 imps because of the double and redouble.

He held up his diamond ace until the third round, crossed to dummy with a spade lead to the queen and took a club finesse. If this lost he would have been defeated by at least one trick, but the gods were kind. He then crossed to dummy with another spade lead, preserving the ace as an entry to his own hand, and repeated the club finesse. He then cashed the club ace, surrendered a club to East's king, and had nine sure tricks.

In the replay the opposing South made three no-trump in more risky fashion. He won the second diamond lead rather than the third, with the ace capturing

the king, and crossed to the spade queen for a club finesse.

He then tested the spades by playing the ace and king and repeated the club finesse. When neither black suit divided evenly, he led the diamond ten and forced West to lead from the heart king at the finish. But Garozzo's team gained 8 imps because of the double and redouble.

He held up his diamond ace until the third round, crossed to dummy with a spade lead to the queen and took a club finesse. If this lost he would have been defeated by at least one trick, but the gods were kind. He then crossed to dummy with another spade lead, preserving the ace as an entry to his own hand, and repeated the club finesse. He then cashed the club ace, surrendered a club to East's king, and had nine sure tricks.

In the replay the opposing South made three no-trump in more risky fashion. He won the second diamond lead rather than the third, with the ace capturing

the king, and crossed to the spade queen for a club finesse.

He then tested the spades by playing the ace and king and repeated the club finesse. When neither black suit divided evenly, he led the diamond ten and forced West to lead from the heart king at the finish. But Garozzo's team gained 8 imps because of the double and redouble.

He held up his diamond ace until the third round, crossed to dummy with a spade lead to the queen and took a club finesse. If this lost he would have been defeated by at least one trick, but the gods were kind. He then crossed to

## Buyer Beware: Perils of Bargain-Hunting for Ancient Chinese Objects

By Sherry Buchanan

**H**ONG KONG — Mee-Seen Loong, managing director of Sotheby's in Hong Kong, is shepherding me through the pitfalls of buying ancient Chinese objects in Cat Street and the bargain end of Hollywood Road. We're drinking cappuccino at Something Brewing, the coffee shop in Cat Street, opened by a fellow collector for the die-hards who spend their Saturday afternoons hunting for treasures a few thousand years old.

Burial objects from tombs all over China have become the latest casualty in China's rush toward capitalism, as ancestral tombs get dug up for the vases and statuary they contain. Some of the contents eventually end up in Hong Kong.

As far back as the earliest neolithic graves, the Chinese started producing

goods in bronze, jade and terra-cotta specifically for burial (*mingqi*) so the dead could continue to live in the style to which they were accustomed, with servants, court ladies, horses, camels, granaries, pigs, watchtowers and mythical guardian animals to keep away the evil spirits.

The tradition lives on in Hong Kong today except that relatives burn paper objects made up as money, Chanel suits or chauffeur-driven cars.

Most of the tombs being dug up are from the Warring States period (475 to 221 B.C.) and the Han (206 B.C. to A.D. 220), Tang (618 to 906) and Ming (1368-1644) dynasties. But where archaic bronzes and jades remain rare and inaccessible except for extremely wealthy collectors, pottery grave goods (also referred to as earthenware, terra-cotta or ceramic, and different from porcelain) started appearing in the '80s on Cat Street and at the bargain end of Hollywood Road at affordable prices.

Intrepid *gweilos* (the Cantonese term for foreigner), unspooked by the idea of "having unwanted house guests," as Loong describes the spirits that the more superstitious believe inhabit these figures, started collecting everything from neolithic pots to Han horses and Tang fat ladies.

Caveat emptor: The quality of these goods — not to say the authenticity — varies widely. Your best bet is to buy

something you like that you can afford and not to imagine that you are scoring some kind of collecting coup.

Prices vary dramatically for what look like very similar pieces to my untrained eye. It's all part of the fun for the serious collectors with deep pockets, though, who live in hope of the day — extremely unlikely — when they will find that elusive magnificent museum-quality piece even if it means acquiring a few expensive mistakes on the way.

An unglazed "reasonably good" Tang fat lady costs between \$1,000 and \$50,000, for a "magnificent" piece, Loong said. "It's all in the eyes, I'm told. To sharpen my vision, I follow her advice and go to the Tsui Museum to gaze on what I am told by the experts is the best-looking Tang fat lady in Hong Kong.

Feeling more confident after my museum visit, I set off for Sing's Antique Gallery at the end of Hollywood Road. A

34-centimeter (13.5-inch) Tang fat lady, unglazed, costs 20,000 Hong Kong dollars (\$2,580). "It's for decoration only, not investment. A fantastic Tang lady costs at least 100,000 dollars," the dealer says.

With the recent boom, there has also been an increase in fakes, about 40 percent of what ends up on Cat Street and Hollywood Road. Of the remaining 60 percent, only 5 to 10 percent are considered "good" pieces in the trade. "This is a fake," says another shop owner, pointing at the four horse legs sticking up in the air out of an unpacked cardboard box. "The legs are too skinny for such a big body." That visit to the museum was obviously not enough, and I take his word for it.

It turns out there are only a couple of tips for the beginner on a Saturday afternoon on Cat Street. One is to flick the object and listen for the sound. A high-pitched tone means it comes from a "dry tomb," which makes it more expensive than an object

from a "wet tomb." Another is to look for cracks and repairs, which is not as obvious as it sounds. I pick up a turquoise-glazed 15-centimeter-high Ming dynasty pot thinking it's a perfect specimen. Wrong. It's only 6,000 Hong Kong dollars because the body is completely broken.

"Look, it's a lousy job done in China. Had it been done in Hong Kong, I wouldn't be able to see the cracks," says the dealer.

For now I settle for some miniature Ming food platters — only 115 Hong Kong dollars for some French bread look-alike loafs and 250 dollars for a pig's head. Might as well plan for my first meal when I get down there.

And by the way, who says you can't take it with you?

*Sherry Buchanan is a journalist based in Hong Kong.*

## Go-Karting With the Royals

By Brad Spurgeon  
*International Herald Tribune*

**P**ARIS — I'm snuggled in a driver's seat inches from the track, coming up on a hairpin turn at 50 kilometers an hour (it feels like 300). The rain is falling in sheets. I jam down the brakes. Am I heading for a spinout? Nah. Despite the weather the track is dry... under the roof of a Paris indoor go-karting center.

The last few years have seen a global proliferation of leisure karting, as tracks move from dirty outdoor venues to clean indoor ones, with bars, pool tables, and video games as side activities. And as the indoor track has brought karting to the city, it is drawing a new public: the professional in his early 20s to early 40s, with more money than time to spend on leisure.

Indoor karting is said to have started in 1986 in England, where Martin Howell was entertainment manager with the London council, and trying to find activities for young offenders. He created the first indoor track, and when the program ended, he decided to open it to the public. Howell's Playscape Pro Racing has gone from offering karting as a delinquent's activity to a Royal Family activity: Princess Diana and her children, William and Harry, were regulars.

The bug spread from Britain to New Zealand in 1989, where there are now at least half a dozen centers. But Europe continues to be the world leader. France created the annual indoor karting championship races in Paris's Bercy stadium in 1993, featuring drivers from Formula One. This caused an explosion of indoor centers in Paris, from none to nearly 10 in two years.

Most of the world's leisure tracks offer four-stroke 160cc engines that are sluggish for pros. Paris's Fun Kart, however, specializes in the plucky two-stroke engines like those that Formula One drivers use at Bercy. Marc Petrisson Fabert started this approach in Toulouse in 1994 after working in the 1980s as a communications director of the Paul Ricard Formula One track on the Côte d'Azur. "We did a study," he said, "and found that one of the main things that prevented people from taking part in automobile sports, was simply the great distance from the city of most tracks. I thought wouldn't it be interesting to have a racing track in a city, under a roof?" His Paris track opened last June, and he is studying sites elsewhere in Europe.

Outdoor karting is a complicated affair in Switzerland with its strict safety and pollution regulations. Indoor Karting in Bern, therefore, is on the second floor of a building and uses exclusively electric kart engines.

One of the founders, Marcus Raetz, says that electric karts can go faster indoors with the usually smaller tracks than the gas engine karts. "You have the same horsepower at 10 kilometers an hour as at 200," he said.

Britain remains the country with the most indoor tracks — more than 100 — and karting there has become the latest corporate entertainment craze. "Eight-five percent of my business," said Howell, "is companies who want to entertain clients, entertain their staff, motivate their people."

While indoor karting allows clients to race all year round, for the owners it is not as simple to maintain as the traditional outdoor track. "We have very strict safety conditions to meet," said Petrisson Fabert. "With 160,000 cubic meters of air extraction an hour, the air in the center is replaced six times every hour. We have carbon monoxide sensing devices and the moment it goes past the safety limit we are ordered to stop the karts."

That's not what I want as I come up to the finish line with victory in sight, and the certainty that I will take on Michael Schumacher this weekend in Bercy... well, at least in my daydreams.

**CHARMING HOTELS IN PARIS**

**NEW YEAR'S PROMOTION**  
More than 50% off on public rates  
From December 15, 1995 to February 29, 1996

**HOME PLAZA**



**HOME PLAZA** ★★★ + PROMO: 400 FF  
"HOTEL of Charm and Character"

74 rue Amelet, 75011 PARIS  
Tel: (33-1) 40.21.20.00 - Fax: (33-1) 47.00.82.40  
Reservations: (33-1) 40.21.22.22

Generous architecturally attractive site with first class suites and studios with fully equipped kitchens, located in the historic heart of Paris, near the Basilee Opera, the Place des Arts and the Picasso Museum. Tasteful fittings, Satellite TV, restaurant in winter garden, seminar rooms and full hotel service.

## AUSTRIA

**Vienna**  
Kunsthalle Wien, tel: (1) 586-6776, open daily. To Feb. 4: "Glaube, Hoffnung, Liebe, Tod." Works by Dürer, Fra Angelico, Bacon, Bellmer, Newman, Smithson and Andy Warhol illustrate how artists have dealt with Christian ideas and imagery.

## BELGIUM

**Antwerp**  
Kunstenaars, tel: (3) 232-8428. To Jan. 28: "Dans l'Esprit de Fluxus." An exhibition of Fluxus art that was founded in 1962 to unite members of the extreme avant-garde in Europe and later in the U.S. Features works by Joseph Beuys, Claes Oldenburg, and Name June Park.

## BRITAIN

**London**  
National Gallery, tel: (171) 839-3321, open daily. To Feb. 11: "The National Gallery in World War II." Photographs, posters, letters and film document how the collection was stored in slate mines in North Wales, how the gallery displayed contemporary works and was used as a concert hall, and how the collection returned only nine days after Germany's surrender.

## CROATIA

**Antwerp**  
Kunstenaars, tel: (3) 232-8428. To Jan. 28: "Dans l'Esprit de Fluxus." An exhibition of Fluxus art that was founded in 1962 to unite members of the extreme avant-garde in Europe and later in the U.S. Features works by Joseph Beuys, Claes Oldenburg, and Name June Park.

## FRANCE

**Montreux**  
Musée des Beaux-Arts, tel: 40-45-65, closed Sundays. To March 17: "Les Années Romantiques. La Peinture en France de 1815 à 1850." 180 paintings and etchings by Ingres, Chassériau, Horace Vernet and Louis Boulanger, among others.

## Greece

**Athens**  
National Gallery, tel: (1) 7235-875. To April 8: "Russian Avant-Garde, 1910-1930." From the George Costakis collection now in the Tretyakov Gallery in Moscow, a selection of paintings and drawings by Popova, Kandinsky, Chagall, Malevich and Tatlin.

## GERMANY

**Berlin**  
Altes Museum, tel: (30) 21-50-23-75, closed Mondays. To Jan. 7: "Architekturmodellen der Renaissance: Albrecht Altdorfer und seine Werkstatt." Which took place in Italy between the construction of the cathedral in Florence and that of St. Peter in Rome, is documented through a large selection of models and drawings.

## FRANCE

**Montreux**  
Musée des Beaux-Arts, tel: 40-45-65, closed Sundays. To March 17: "Les Années Romantiques. La Peinture en France de 1815 à 1850." 180 paintings and etchings by Ingres, Chassériau, Horace Vernet and Louis Boulanger, among others.

## ITALY

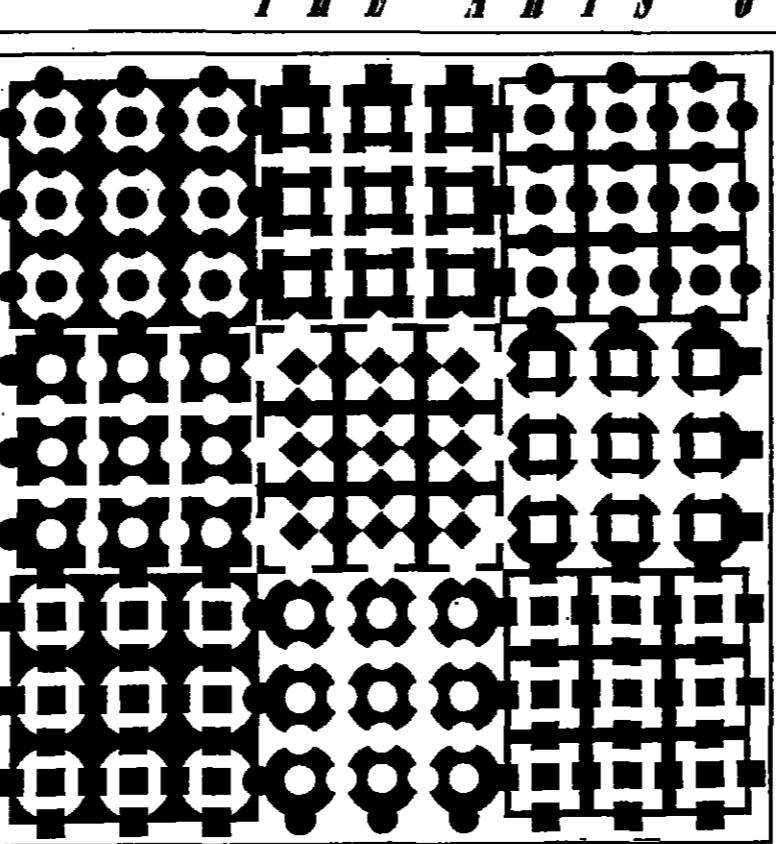
**Athens**  
National Gallery, tel: (1) 7235-875. To April 8: "Russian Avant-Garde, 1910-1930." From the George Costakis collection now in the Tretyakov Gallery in Moscow, a selection of paintings and drawings by Popova, Kandinsky, Chagall, Malevich and Tatlin.

## ISRAEL

**Jerusalem**  
Israel Museum, tel: (2) 708-811, open daily. Continuing to Dec. 30: "Garth Richter: Paintings." Landscapes, portraits and still lifes as well as abstract works dating from 1965 to 1994.

## ITALY

**Athens**  
Fundazione Antonio Marzotto, tel: (2) 678-197, closed Mondays. To Jan. 21: "Andy Warhol." More than 200 paintings and prints, including



Vasarély's "Binary," shown in Lausanne; 1962 Fluxus performance, as documented in an Antwerp exhibition.

## GERMANY

**Berlin**  
Altes Museum, tel: (30) 21-50-23-75, closed Mondays. To Jan. 7: "Architekturmodellen der Renaissance: Albrecht Altdorfer und seine Werkstatt." Which took place in Italy between the construction of the cathedral in Florence and that of St. Peter in Rome, is documented through a large selection of models and drawings.

## Greece

**Athens**  
National Gallery, tel: (1) 7235-875. To April 8: "Russian Avant-Garde, 1910-1930." From the George Costakis collection now in the Tretyakov Gallery in Moscow, a selection of paintings and drawings by Popova, Kandinsky, Chagall, Malevich and Tatlin.

## ITALY

**Athens**  
Fundazione Antonio Marzotto, tel: (2) 678-197, closed Mondays. To Jan. 21: "Andy Warhol." More than 200 paintings and prints, including



Vasarély's "Binary," shown in Lausanne; 1962 Fluxus performance, as documented in an Antwerp exhibition.

## SWEDEN

**Stockholm**  
Royal Opera, tel: (8) 42-82-40. "Alida." Conducted by Maurizio Baracchini. Dec. 20 and 26.

## SWITZERLAND

**Lausanne**  
Musée Olympique, tel: (21) 621-6071, closed Mondays. To Jan. 28: "Piotr Jaros." Works by a young Polish artist who expresses his creativity through paintings, photographs and installations.

## SPAIN

**Barcelona**  
Fundación Caixa, tel: (93) 404-6073, closed Mondays. To Jan. 28: "Mirada: Works, 1985-1995." The first retrospective of this Catalan artist whose work is distinguished by its transitory nature. The show offers a selection of objects created from the mid-1980s to his installations in which color, food and ritual are the main aspects.

## POLAND

**Warsaw**  
Centrum for Contemporary Art, tel: (2) 625-0522, closed Mondays. To

## THE NETHERLANDS

**Amsterdam**  
Van Gogh Museum, tel: (20) 570-5200, open daily. Continuing to Dec. 20: "Mirada: Works, 1985-1995." The first retrospective of this Catalan artist whose work is distinguished by its transitory nature. The show offers a selection of objects created from the mid-1980s to his installations in which color, food and ritual are the main aspects.

## ITALY

**Madrid**  
Museo Nacional Centro de Arte Reina Sofia, tel: (91) 467-5002, closed Tuesdays. To Dec. 24: "Modigliani: Dibujos de la Colección Paul Alexandre." 200 drawings and watercolors.

## GERMANY

**Kunsthaus**, tel: (41) 410-1995. From Dec. 15 to April 26: "Cindy Sherman: Photographs 1975-1995." The contemporary American photographer features herself in theatrically

composed photo tableaux, and marvels human imagination and the camera's objective realism.

## UNITED STATES

**Los Angeles**  
Museum of Contemporary Art, tel: (213) 626-6222, closed Mondays. To March 24: "Sigmar Polke: Photoworks: When Pictures Vanish." More than 100 photography-based works from the mid-1980s to the present, moving from realism to abstraction.

## New York

**Metropolitan Museum of Art**, tel: (212) 570-3791, closed Mondays. Continuing to Dec. 31: "Goya at the Metropolitan." 15 of oil paintings by Goya, a few of which have been de-accessioned, others which remain subject to conservation.

**Metropolitan Opera**, tel: (212) 362-5000. "Tchaikovsky's 'Queen of Spades.'" Conducted by Valery Gergiev, with Maria Guleghina, Leonid Bykov, and Gergana Grigorova. Dec. 27, 30 and Jan. 2.

**National Academy of Design**, tel: (212) 426-1711, closed Mondays. To Jan. 14: "Edward Munch and Harold Sohlberg: Landscapes of the Mind." More than 150 paintings, drawings and prints by the Norwegian artists.

## Philadelphia

**Museum of Art**, tel: (215) 684-7860, closed Mondays. To Dec. 31: "Constantin Brancusi: 1876-1957."

## Washington

**National Gallery of Art**, tel: (202) 737-4215, open daily. To Jan. 28: "Winslow Homer." More than 200 works including oil paintings, watercolors, drawings and prints by the American artist (1836-1910).

## INTERNATIONAL

# Japanese Freeze Doom Cult Assets

## Prime Minister Approves Move to Disband Group

Reuters

TOKYO — Japanese officials on Thursday raided properties and froze the assets of the doomsday cult accused of gas attacks on the Tokyo subway. Separately, Prime Minister Tomiichi Murayama approved a Justice Ministry request to disband the beleaguered Aum Shinrikyo sect under a strict 1952 anti-subversion law.

## Argentina Closes In on Terrorists

Los Angeles Times

BUENOS AIRES — Argentine investigators hope that a black-market trail of stolen military arms will lead to terrorists who set off a powerful bomb at a Jewish community center last year.

The explosion killed 86 people and demolished the community's seven-story building. Authorities have blamed Iranian-backed Muslim fanatics, but one has been formally charged.

But new arrests this month have revealed that a judge and prosecutors are pursuing the possibility that explosives used to detonate the bomb may have been supplied by a ring trafficking in army weapons.

The prosecutor, Eamon Mullen, said Tuesday that the 14 people arrested — including seven noncommissioned officers on active duty — had been charged with illicit association and illegal possession of arms.

"There is some evidence that, in a way, leads to the suspicion that they could be linked to, or have knowledge of, whomever carried out the attack," Mr. Mullen said.

"I believe we are close — close to finding out who were the authors."

He added that the investigation into the trafficking ring was "just beginning" and that no proof has been found, so far, that its members had any links to terrorists from the Middle East.

Judge Juan José Galeano, the investigating magistrate in the case, has ordered the detention of a legislator, Emilio Pedro Morello, a former army captain and secretary-general of Modin, a rightist political party. Mr. Morello is protected from arrest by congressional immunity.

News reports have said Judge Galeano received wiretap reports linking Mr. Morello to the anti-trafficking ring. Mr. Morello denies any involvement.

ONLINE INFORMATION FROM THE HEART OF CENTRAL EUROPE



<http://www.DerStandard.co.at/DerStandard>  
CONSTANT UPDATE: INTERNET POLL ON AUSTRIA'S NATIONAL ELECTION

DER STANDARD  
Herrengasse 1-3, A-1010 Vienna, Austria  
Phone +43/1/531 70-220, Fax +43/1/531 70-249  
e-mail: marketing@standard.co.at

AUSTRIA'S LEADING BUSINESS NEWSPAPER

In this Saturday's



## Financial Gifts

**M**inimizing inheritance taxes

**Herald Tribune**  
INTERNATIONAL  
THE WORLD'S DAILY NEWSPAPER

# Asians Avoid Official Criticism of China Over Wei

International Herald Tribune

BANGKOK — In contrast to the sharp comments in the West, most Asian governments were circumspect in their reaction Thursday to China's sentencing of the dissident Wei Jingsheng to 14 years in prison for subversion.

The restraint may have as much to do with China's growing might as it does with the practice in Asia of being less eager than Westerners to pass public judgments on their neighbors' internal affairs, especially when it comes to human rights.

The only leader in Asia proper who spoke out was not even Asian: Governor Chris Patten of Hong Kong. He cautioned China that it should "consider the impact" on public morale in

the British colony in advance of Hong Kong's return to Chinese sovereignty in 1997.

Leaders of ASEAN, the Association of South East Asian Nations, who will hold their first meeting Friday with their counterparts from Laos, Cambodia and Burma, avoided all reference to the fact that Mr. Wei, whom Western governments consider a victim of political persecution, had been sentenced in a trial that again called into question the rule of law in China.

While some Southeast Asian officials are privately critical of China's human rights record, the fact that ASEAN had invited General Thawee, the head of the Burmese military regime, to Bangkok meant that

any public criticism of China was out of the question, analysts said.

One of the cardinal principles of ASEAN, and one of the main reasons it has proven to be such a durable and successful regional organization, is that it members very seldom criticize each other's internal affairs.

"They don't want to invite intervention in their domestic affairs by China, the U.S., the European Union or anyone else," said Yusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta. "So they make sure they don't interfere in the affairs of other countries."

Analysts said that China's proximity, and its growing economic and military power in the region, also

contributed to East Asia's silence.

The mute capitals included Tokyo, where Prime Minister Tomiichi Murayama on Wednesday did not hesitate to give Fidel Castro, the visiting president of a small and distant Cuba, a lesson on civic freedoms.

A Japanese diplomat with responsibility for Chinese affairs said, in all apparent seriousness, that human rights were indeed universal, but Japan could not make any comment on Mr. Wei as it "does not know the details" of his case, Agence France-Presse reported from Tokyo.

In both Hong Kong and Taiwan, things were different. Concerns there focused more on the process that led to Mr. Wei's imprisonment than on the severity of the sentence.

## CHINA: Strength or Insecurity?

Continued from Page 1

to all dissidents in China," said one political reform advocate who emerged Thursday morning from house arrest imposed during Mr. Wei's trial. "It made all dissidents think that if they continue to engage in the same activities as those of Wei, they will face the same punishment," he said.

Liu Binyan, the crusading journalist who was kicked out of the Communist Party in 1987, said that most Chinese today were "indifferent to politics. And so, he said, dissidents do not represent any threat to the government.

"But since they are symbols of political change, he said, "severe punishment of them can serve to frighten ordinary people."

Thursday afternoon, the Foreign Ministry spokesman, Chen Jian, lashed out at the U.S. Congress, whose resolutions condemning the persecution of Mr. Wei and Tibetan religious figures had, he said, "aroused utmost indignation of the Chinese people."

"We strongly condemn these malicious moves by the American side, which constitute a serious infringement on China's sovereignty and independence in China's internal affairs," he said.

"China's sovereignty and territorial integrity brooks no in-

ference," Mr. Chen added. The American sinologist Michel Oksenberg, who served in the Carter White House as an adviser on China and who frequently travels to Beijing, suggested Thursday that China's heavy display of biceps and the very toughness with which its leaders are handling their affairs betrays "deep insecurity" that the legitimacy of Communist Party rule is flagging.

"What tremendous sense of vulnerability tells them to take some six-year-old kid in Tibet and kidnap him?" asks Mr. Oksenberg. "This is not a sign of super confidence, nor is it a sign of confidence that they act as if one man," Mr. Wei, "can threaten the whole regime and so they put him in the slammer for 14 years."

"What does that tell you about their psyche?" Mr. Oksenberg asked again.

The answer for him and for a number of other China specialists watching events unfold this fall is that President Jiang Zemin and Prime Minister Li Peng are at the center of a weak collective leadership that is anything but settled as the death of Deng Xiaoping, age 91, approaches.

Even though the conventional wisdom in Western capitals is that Mr. Jiang has consolidated his power atop the 53-million-member Communist Party, Chinese and Western sources report that Mr. Li continues to demonstrate that he is a tenacious fighter who has greater command of policy issues, who shapes the internal debate and who wields power within the state and party machinery far more effectively — his critics say viciously — than the president.

"I contest the basic notion that everything is in order in this leadership," Mr. Oksenberg said. "It is a very vulnerable system right now," he said, "the civilians in the party recognize that they are presiding over rapidly eroding institutions. They can bluff and bluster, but the party has ceased to be an instrument of revolutionary rule and, instead, has become a machine party, a dispenser of patronage, a social base for the ruling class."

"That is not a durable position for a party to be in," Mr. Oksenberg said, "and it is now only propped up by the people who have the guns."

It is now more clear than ever that a drumbeat to discipline Taiwan militarily and to force the renegade province to reunite with the mainland is coming from the People's Liberation Army and not from the civilian leadership.

Over a recent dinner, the son of one of China's most famous military leaders, asserted that if Mr. Jiang failed to stand up for Chinese sovereignty over Taiwan, "Jiang Zemin could be changed; it would not be a big thing. We have a collective leadership."

Looking south, the Chiana canal enters above the bridge much as a stream seems to enter the river in the painting. The lake in the painting appears to be in the same position as the actual lake.

But how might Leonardo have gotten such an interesting view?

Mr. Starnazzi discovered that a castle once stood about a mile and a half from the bridge, and he decided that Leonardo would probably have surveyed the terrain from it.

Mr. Starnazzi then rigged up computer models to approximate how the area might have looked from the castle vantage point.

It looked, he said, pretty much like the scene in "Mona Lisa."

For investment information  
Read THE MONEY REPORT  
every Sunday in the MFT



DAYS OF ANGER — French fisherman on the Bay of Biscay destroying their catch Thursday to protest low prices.

## FRANCE: Some Trains Run as Strike Solidarity Seems to Relax

Continued from Page 1

were on strike. Three of the capital's 13 subway lines were running intermittently, and the transit authority said it was making safety checks on trains idle since Nov. 24. But the French radio said union activists were blocking trains in the subway.]

## BOSNIA: Silent Signing

Continued from Page 1

President Jacques Chirac, "but in public they have to keep promising 1999."

Paradoxically, these concerns will probably be brushed aside on Friday, when Chancellor Helmut Kohl of Germany and Mr. Chirac steer the direction of the European Union summit meeting in Madrid.

The meeting is expected to reaffirm plans to inaugurate European monetary union by 1999. Leaders are also likely to agree on a name for the currency, and they could promise to follow a set of ever-tougher fiscal conditions demanded by Germany even after the start of monetary union.

But what do the Maastricht conditions really mean? And what would happen if they were applied to other countries around the world?

The most surprising result — based on an analysis of figures provided by the Organization for Economic Cooperation and Development — is that however worthy the criteria may be, they provide absolutely no guarantee of good economic performance.

The fast-growing, powerhouse economies of Asia, including China, Korea and Taiwan, for example, would all flunk the Maastricht test on the criterion of inflation. Mexico,

the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

Street traffic gridlock in Paris continued all day, forcing heads of states and foreign ministers, in the capital to sign an agreement for peace in Bosnia, to fly in helicopters over the traffic jams to attend the ceremony. They landed on a hastily created helipad on the Esplanade des Invalides, in the heart of Paris.

Mr. Chirac insisted on having the signing ceremony at the Elysée despite the strikes, in part to stake a French claim to credit for the agreement.

There, the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

Mr. Chirac insisted on having the signing ceremony at the Elysée despite the strikes, in part to stake a French claim to credit for the agreement.

There, the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

Mr. Chirac insisted on having the signing ceremony at the Elysée despite the strikes, in part to stake a French claim to credit for the agreement.

There, the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

Mr. Chirac insisted on having the signing ceremony at the Elysée despite the strikes, in part to stake a French claim to credit for the agreement.

There, the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

Mr. Chirac insisted on having the signing ceremony at the Elysée despite the strikes, in part to stake a French claim to credit for the agreement.

There, the prime minister offered to hold with the unions on Dec. 21 should begin immediately.

The leader of the other major union, the Communist-led General Confederation of Labor, also warned that if talks failed the consequences would be grave.

He demanded that all issues from employment to health care be addressed forcefully.

## FLUNK: The Maastricht Test Produces Some Unexpected Winners

Continued from Page 1

President Jacques Chirac, "but in public they have to keep promising 1999."

Paradoxically, these concerns will probably be brushed aside on Friday, when Chancellor Helmut Kohl of Germany and Mr. Chirac steer the direction of the European Union summit meeting in Madrid.

The meeting is expected to reaffirm plans to inaugurate European monetary union by 1999. Leaders are also likely to agree on a name for the currency, and they could promise to follow a set of ever-tougher fiscal conditions demanded by Germany even after the start of monetary union.

But what do the Maastricht conditions really mean? And what would happen if they were applied to other countries around the world?

The most surprising result — based on an analysis of figures provided by the Organization for Economic Cooperation and Development — is that however worthy the criteria may be, they provide absolutely no guarantee of good economic performance.

The fast-growing, powerhouse economies of Asia, including China, Korea and Taiwan, for example, would all flunk the Maastricht test on the criterion of inflation. Mexico,

hardly a paragon of economic brilliance, would in turn have passed the Maastricht deficit test with flying colors a year ago, just as it was heading into its worst economic crisis since 1982.

"Countries like those in East Asia are still at a stage of development where rapid inflation is part of the growth process," said Stephen Potter, a senior official at the OECD in Paris.

"We would normally say that low inflation and sound public finances are preconditions for growth in mature economies, such as those in Europe. But they are not sufficient."

Julian Jessop, a European economist at HSBC Markets in London, said: "The Maastricht criteria are fairly arbitrary and are not orthodox criteria aimed at producing economic success. Having low inflation or a low deficit does not guarantee it. In fact, one finds that high inflation is often a result of economic success."

The Maastricht criteria include keeping public sector deficits to 3 percent of gross domestic product, total debt to 60 percent of GDP, inflation to no more than 1.5 percent above the average of the lowest three rates in the EU, and also meeting criteria on currency stability and interest rates.

The inflation rates that cause

countries like China and South Korea to flunk are indeed signs of rapid economic growth, in countries that otherwise meet the criteria of having very low debt and deficit levels.

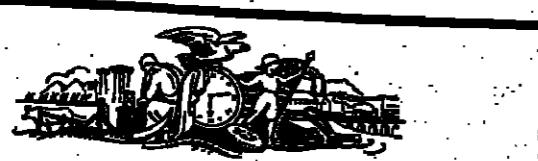
Running the Maastricht numbers on non-European countries is not, of course, a perfect science. Among the caveats is the fact that Maastricht was a politically motivated decision and it was designed for currency union, and not for European governments.

"In a sense," said Alison Cottrell, an economist at PaineWebber in London, "the Maastricht criteria plus the independent central banks and the integrated financial markets are a recipe for slow growth and low inflation, which is the exact opposite of what you could hold up as

# INTERNATIONAL Herald Tribune BUSINESS / FINANCE

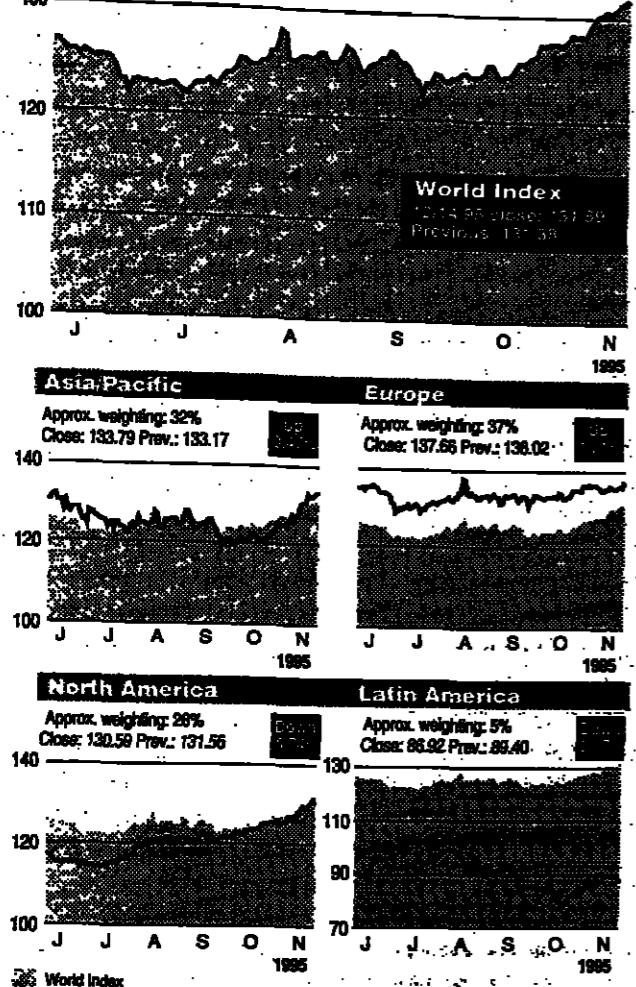
FRIDAY, DECEMBER 15, 1995

PAGE 13



## THE TRIB INDEX: 131.69

International Herald Tribune World Stock Index © composed of 260 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Greece, Italy, Ireland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the top 50 stocks are included.

For more information about the index, a booklet is available free of charge. Write to Trib Index, 187 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

© International Herald Tribune

## Microsoft Teams Up With NBC For News

Compiled by Our Staff From Dispatches

NEW YORK — Microsoft Corp. and NBC said Thursday they would invest as much as \$620 million over five years to form joint ventures for a 24-hour cable television news channel and an on-line news service.

The cable channel, to be equally owned by Microsoft and NBC, would rival Cable News Network, a unit of Turner Broadcasting System Inc. that has had the all-news field on television largely to itself for the past 15 years.

Microsoft is to invest \$220 million over the next five years for its stake in the TV venture, to be called MSNBC Cable. It will make its debut within six months, replacing NBC's cable channel America's Talking. Twenty million homes currently have access to the channel.

The two companies said they would invest an additional \$200 million each over five years.

Subscribers will gain access to the on-line news service, to be called MSNBC Online, through the Microsoft Network. Microsoft Network was launched in late summer along with Windows 95, Microsoft's new operating system.

Jack Welch, chief executive of NBC's parent, General Electric Co., said, "This is a big deal for GE, because commerce is never going to be the same in the next decade."

Mr. Welch also quashed recent speculation that GE would sell NBC, although he did not rule out bringing in a partner.

Bill Gates, Microsoft's chief executive, said he did not expect the ventures to make a profit for five or six years.

Bob Wright, NBC's president, said NBC is to manage the TV network, while the companies are to cooperate in managing the computer network.

(Reuters, AFP, Bloomberg)

## After the Feud, Gucci Is Enjoying A Renaissance

By John Tagliabue  
New York Times Service

FLORENCE — In a frescoed 16th-century palazzo in the narrow Via delle Caldaie near the center of Florence, Gucci's headquarters is humming again.

Leather handbags with bamboo handles line the shelves in one room, sturdy leather luggage stands in another, and silk ties form a rainbow swirl in a third.

"We're now thinking about 1997," said Domenico De Sole, chief executive of Gucci Gucci SpA. The company, a unit of Investcorp International, "used to collect orders and sit on them," he said. Now the hardest task is turning out products rapidly enough to meet a doubling of demand.

Filling orders punctually is only one strand of the formula that has helped Mr. De Sole revive the mystique — and the revenue — of the venerable Florentine maker of luxury goods. Also crucial were a return to understated styling, huge investments in promotion and a management overhaul.

The renaissance began only after the Gucci family was bought out by the Bahrain-based investment concern Investcorp. Years of family feuding had brought down the dynasty — modern-day Medicis whose patriarch, Guccio Gucci, founded the business in this Tuscan capital in the early years of this century.

The cruel epilogue came in March, when Maurizio Gucci, grandson of Guccio Gucci and the last family member to sell out to Investcorp, was shot to death in a Milan street

by an unknown assailant.

In October, Investcorp took Gucci public, selling half its stake on the New York Stock Exchange to raise capital for expansion. The shares have since soared from the initial offering price of \$22, closing at \$36.125 Thursday, valuing the company at well over \$2 billion.

The stock got its latest lift last week on news that Gucci's revenue in the first nine months of the year was \$342 million, nearly double last year's level, with profit for the first half already well ahead of that for all of 1994.

In part, Gucci is simply riding a wave of growth in high-priced fashion accessories as the world's economies come back from recession and some consumers break out of the discount-store habit.

French companies such as Chanel, Hermès International and Louis Vuitton, a unit of LVMH Moët Hennessy-Louis Vuitton, are booming. Partecipazioni Bulgari SpA, the Italian jeweler whose marble-clad stores grace the world's great boulevards, has seen its stock soar since a public offering on the Milan exchange in July.

Now, everyone in Hollywood has to have Gucci's velvet hip-huggers, and the suede loafers with the classic horse's bit on top of a lug sole are selling as fast as Gucci can deliver them.

It was 1990, when Maurizio Gucci was chairman, that the company finally realized the Gucci name had lost much of its mystique. So many Gucci products had flooded department stores and boutiques that they simply

had run out.

Mr. Welch also quashed recent speculation that GE would sell NBC, although he did not rule out bringing in a partner.

Bill Gates, Microsoft's chief executive, said he did not expect the ventures to make a profit for five or six years.

Bob Wright, NBC's president, said NBC is to manage the TV network, while the companies are to cooperate in managing the computer network.

(Reuters, AFP, Bloomberg)

SEE GUCCI, Page 17

## Flat Consumer Prices Give Fed an Opening

By Lawrence Malkin  
International Herald Tribune

NEW YORK — A report of zero inflation Thursday gave the Federal Reserve Board scope to follow European central banks in reducing interest rates, but there was lively debate on Wall Street and inside the Fed itself about whether the central bank would take the opportunity.

For the first time since March 1991, the Labor Department reported no change in last month's consumer price index, after a rise of 0.3 percent in October. The core rate excluding food and energy rose only 0.1 percent.

But the Fed does not watch the inflation figures alone, and other economic signs were mixed.

"The question is whether we

are in transition from a weak economy to a weaker one, or from weak back to strong," said Robert Brusca of Nikko Securities.

Business inventories rose 0.5 percent in October, continuing a pileup of goods that weak Christmas retail sales are likely to have done little to draw down. Industrial production reversed course and rose 0.2 percent last month after dropping 0.3 percent in October.

Although a cut in short-term interest rates is widely expected, either at the year's final meeting of the Federal Open Market Committee on Tuesday or the year's first meeting at the end of January, opinion among Fed-watching economists was sharply divided over the central bank's timing and strategy.

David Wyss, chief financial economist at DRI/McGraw Hill, felt that despite signs of softness in the economy, the Fed would wait to loosen until Congress and the White House agreed on a budget package "because it would have to reverse course and raise rates if a budget agreement falls through."

Mickey Levy of Nations-Banc Capital Markets argued on the contrary that the Fed was more likely to act before Congress, in order to avoid involving itself in the political battle over the budget.

Fed governors themselves disagree over whether the economy needs more juice, with some policymakers arguing that the economy is still growing at a noninflationary rate and is best left alone.

## Bundesbank Pleases Europe

By Erik Ipsen  
International Herald Tribune

LONDON — Europe's hopes of kicking its stalled economy into gear got a modest lift Thursday from the Bundesbank's decision to cut interest rates by half a percentage point, a reduction followed by four other European central banks.

The German central bank's reduction of its key lending rates to their lowest levels in seven-and-a-half years "provides a window of opportunity for growth in Europe," said Kit Juckes, an economist at Barclays de Zoete Wedd in London.

"Europe," he said "is in a very deflationary environment in which every grain of help Germany can throw out there is latched onto with considerable enthusiasm."

European stock markets rose on the news, with Paris shares ending sharply higher on a combination of the Bundesbank cuts and hopes of an end to its public-sector strike. The CAC-40 index rose 41.22 points, to 1,874.98.

London shares also rose, but they ended below their best levels of the day. The Financial Times-Stock Exchange 100 index rose 9.2 points, to 3,671.6, below the day's high of 3,686.5.

In Madrid, shares also closed off the day's highs as profit-taking sapped a rise immediately after the Bundesbank announcement.

The Bundesbank cut was bigger than expect-

ed, and this "after the initial euphoria had the reverse effect of dampening investor enthusiasm at the prospect of no further cuts in the near future," said a dealer at Benito & Monjardin.

Belgian and Swiss shares ended the day lower, as the rate cuts had already been discounted in those markets, a UBS analyst said.

Forecasters who have spent the last months lowering their expectations for economic growth next year said simply that these cuts would bring that process to an end. Few if any were willing to be more optimistic than that.

The clouds overhanging Europe's economies will not be greatly thinned by a half-point cheapening in the cost of borrowed money. Economists noted that the tendency towards looser monetary policy, which began in Britain on Wednesday, now must contend with tight government spending plans throughout the region. Those plans are in the midst of severe squeezes as governments struggle to meet the Maastricht Treaty on monetary union's requirements for reducing government debts and deficits.

"Europe is suffering from a version of the Japanese disease of deflation right now," said Hans Schaer, a currency analyst at Union Bank of Switzerland in Zurich. "Everyone is having difficulty meeting the Maastricht criteria, and therefore no one is able to provide the fiscal spark to light a fire under their economies."

## WALL STREET WATCH

### U.S. Stocks: Quest for Value

By Robert Hurtado  
New York Times Service

**N**EW YORK — Despite the sizable rally in U.S. stocks this year, analysts say there are still pockets of value in the market. But finding those opportunities can be difficult for investors, and a healthy dose of caution is recommended.

"Exercising investment discipline is very important after the run-up in stock prices we have enjoyed this year," said Joseph Battaglia, managing director of Steering Advisors, a money-management firm. "Rather than abandon the market, the smart investor should limit stock purchases to only those issues that meet predetermined standards."

Mr. Battaglia looks for three things in a stock or a company: a modest price/earnings ratio, using a company's projected earnings for the next year, a seasoned management team with a successful track record, and a well-defined business strategy that offers a map for sustainable growth.

One company that he says meets the criteria is Hooper Holmes Inc., a company that life and health insurers employ to perform medical examinations on job applicants.

After acquiring Osten Corp.'s health-services unit this autumn, Hooper Holmes became the largest provider of physical examinations for insurers in the United States, testing about 250,000 applicants a month.

Analysts forecast the company's per-share earnings for 1995 at around 24 cents. But Budd Bugatch, an analyst at the brokerage concern Raymond James & Associates, projected that

per-share earnings would jump to 68 cents in 1996.

At that level, the stock — which closed at \$97.75 Thursday on the American Stock Exchange, up 87.5 cents — would be priced at 13 times projected earnings, less than the current average of 17 for companies in the Standard & Poor's 500 index.

But there is reason for caution: Earnings projections are often wrong, and the current P/E ratio for Hooper is 33.8.

Bridgeport Machines Inc., a maker of metal-cutting tools, might also suit the disciplined investor. It commands 40 percent of the market for milling products in the United States and has seen overseas sales grow to 35 percent of its revenue.

The company's chairman, Joseph Clancy, has held various senior management positions since 1966, and Bridgeport earned \$1.48 a share in the year ended March 31, up from 63 cents the previous year.

For the 1996 financial year, Chuck Harris, an analyst at Oppenheimer & Co., sees earnings rising to \$1.70 a share, which would give the stock a P/E ratio of 11.6. Bridgeport shares ended at \$19 Thursday on the Nasdaq market, down 75 cents.

In retailing, Mitch Rubin, an analyst at Smith Barney Inc., said Trend-Lines Inc., which operates specialty stores and mail-order catalogues in the good-growth sectors of woodworking tools and golf equipment, had been a consistent earnings performer.

Trend-Lines had earnings of 56 cents a share in the year ended Feb. 28, up from 41 cents a year earlier. Its shares were unchanged Thursday, at \$10.375, on the Nasdaq.

(AP, Bloomberg)

## Nokia Shares Drop After Profit Alert

Compiled by Our Staff From Dispatches

HELSINKI — Nokia AB sent shares of wireless phone manufacturer sharply lower Thursday when it said it would restructure its consumer electronics division because of expected losses.

Finland's largest listed company said the unit would "register a clear loss" in 1995.

After Motorola Corp., Nokia is the world's second-largest maker of wireless phones. Investors have been concerned over reports showing falling demand for cellular phones in the United States.

Nokia also said it expected group operating profit for the third quarter to be lower than a year earlier despite strong revenue growth in all its main businesses.

The announcement came after the Helsinki market closed, but Nokia shares still fell 7 percent, to 200 markka (\$45.94).

On the New York Stock Exchange, Nokia's American depository receipts lost 22 percent of their value, falling \$10.325, to \$36.875. Shares of Motorola dropped \$2.50, to \$57.325. LM Ericsson AB of Sweden, another cellular-phone maker, saw its ADRs drop \$1.75 to \$19.00.

(AP, Bloomberg)

# THE SINGLE CURRENCY : SURNAME... ? NAME... ? DATE OF BIRTH... ?

THIS WEEK END IN MADRID, THE HEADS OF GOVERNMENTS OF THE EUROPEAN COMMUNITY WILL MAKE A FINAL DECISION ON THE SINGLE EUROPEAN CURRENCY'S NAME AND INTRODUCTION SCENARIO. MEANWHILE, MATIF HAS DEMONSTRATED ITS COMMITMENT TO THE CONSTRUCTION OF EUROPE WITH ITS LONG-TERM ECU FUTURES CONTRACT. THANKS TO THE DYNAMIC SUPPORT OF MARKET MAKERS WHO ENSURE AN ON-GOING QUOTATION, ECU 300 MILLION ARE ALREADY EXCHANGED DAILY ON THE MARKET WHICH IS A FORERUNNER OF THE SINGLE EUROPEAN FINANCIAL MARKET.

LIST OF MARKET SPECIALISTS : BANQUE INDOSUEZ, Philippe Huynh des Bordes, Tel. : (33 1) 53 76 58 17 ; BANQUE INTERNATIONALE DE PLACEMENT, Thibaut de Buyer, Tel. : (33 1) 42 93 13 00 ; BNP FINANCE, Michel Jouillat, Tel. : (33 1) 40 14 84 51 ; CAISSE DES DEPOTS ET CONSIGNATIONS, Sophie Sancier, Tel. : (33 1) 40 49 52 40 ; CPTI (Compagnie Parisienne de Rechanges), Marc Bemer, Tel. : (33 1) 40 22 10 ; CREDIT COMMERCIAL DE FRANCE, Laurent Esposito, Tel. : (33 1) 40 70 73 55 ; CREDIT LYONNAIS (Credit Lyonnais Rouen France SNC), Philippe Petit, Tel. : (33 1) 49 24 71 67 ; LOUIS DREYFUS FINANCE (Banque) SA, Pierre Pappalardo, Tel. : (33 1) 40 66 24 30 ; SOCIETE GENERALE, Jean-Philippe Louis, Tel. : (33 1) 42 13 68 42 ; UBS FRANCE SA, Pierre Barnard, Tel. : (33 1) 42 66 24 37 ; UNION EUROPEENNE DE CIC (Sécurité Futures), Arnaud Fillion, Tel. : (33 1) 42 66 70 21.

FOR FURTHER INFORMATION, PLEASE CONTACT MATIF SA AT (33 1) 40 28 81 81

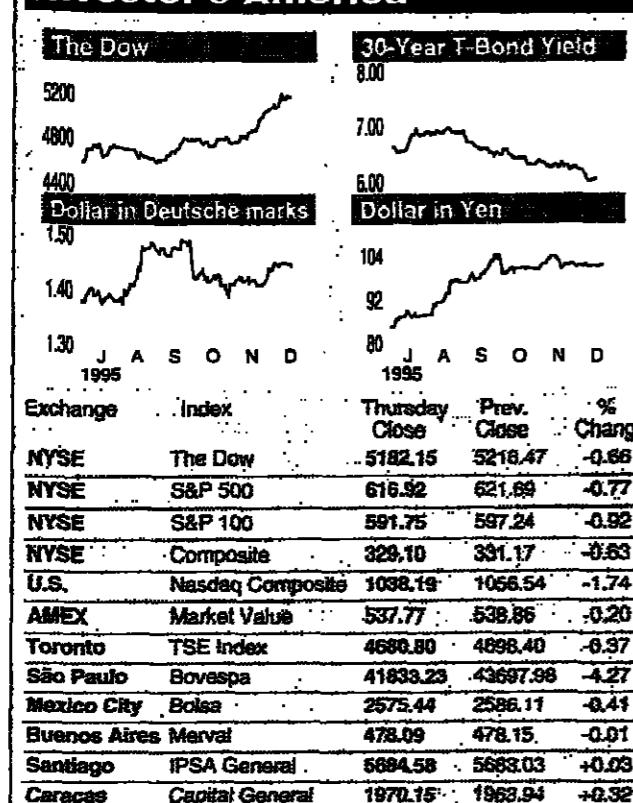


MAKE THE MOST OF YOUR FUTURE

Cross Rates		Dec. 14		Dec. 14	
Per \$	Per £	D.M.	Fr.	Yen	Per ECU

## THE AMERICAS

## Investor's America

By Calvin Sims  
New York Times Service

**Buenos Aires** — When Charles Lewis, a British developer, was looking for new countries in which to open Hard Rock Cafe franchises, Argentina seemed ideal: It has a large middle class that prides itself on keeping up with trends.

Mr. Lewis, whose family owns Hard Rock Cafe outlets in Puerto Rico, St. Thomas and the Bahamas, was right. Since opening two months ago, the Hard Rock Cafe franchises, Argentine seemed ideal: It has a large middle class that prides itself on keeping up with trends.

Mr. Lewis, whose family owns Hard Rock Cafe outlets in Puerto Rico, St. Thomas and the Bahamas, was right. Since opening two months ago, the Hard Rock Cafe franchises, Argentine seemed ideal: It has a large middle class that prides itself on keeping up with trends.

Mr. Lewis, whose family owns Hard Rock Cafe outlets in Puerto Rico, St. Thomas and the Bahamas, was right. Since opening two months ago, the Hard Rock Cafe franchises, Argentine seemed ideal: It has a large middle class that prides itself on keeping up with trends.

Mr. Lewis, whose family owns Hard Rock Cafe outlets in Puerto Rico, St. Thomas and the Bahamas, was right. Since opening two months ago, the Hard Rock Cafe franchises, Argentine seemed ideal: It has a large middle class that prides itself on keeping up with trends.

But the long lines of air-guitar-playing customers disappeared last week, after an Argentine judge issued an order restraining Mr. Lewis's use of the Hard Rock Cafe name.

A group of local business people had asked the court to bar Mr. Lewis from using the name, which they say they acquired

from an Argentine woman, Theresa Huss, who they say registered it as a business trademark in 1986.

The first Hard Rock Cafe opened in London in 1971.

The judge, Armando Voces Conesa, sent court officers to the restaurant, where they hung large black-and-white sheets over the Hard Rock Cafe logo.

While the cafe is still open for business and continues to sell Hard Rock Cafe T-shirts and other merchandise, Mr. Lewis said he had seen a 40 percent drop in sales.

Mr. Lewis, who said he had spent \$8 million to acquire the franchise rights and build the restaurant, said the legal action was an attempt to unfairly exploit the trademark. He expressed particular anger that a judge would grant a restraining order to people "who clearly have no plans to open a restaurant using the logo."

"It completely mystifies me that a country that is in such need of foreign investment would treat a potentially lucrative

business this way," he said. Roger Pynn, a spokesman for Hard Rock Cafe International, would not say whether it had investigated Argentine copyrights. But he said the company planned to vigorously defend its copyright.

Hard Rock Cafe International has appealed the restraining order.

Argentina is a signer of the Paris Convention and the General Agreement on Tariffs and Trade, which protect copyrights and trademarks from opportunistic individuals who seek to register international trademarks in developing countries.

Lawyers for the business group that requested the restraining order could not be reached for comment. There is no listing for Theresa Huss in the Buenos Aires phone directory.

It could not be learned on what basis the judge had issued the restraining order. He did not return telephone calls to his office, and calls to the Justice Ministry press office were not returned either.

## EMU: Single Currency in '99? Murmurs of a Delay Growing Louder

Continued from Page 1

Jacques Chirac reiterated their determination to enter a single currency in 1999 at the French summit meeting in Baden-Baden last week.

If Europe were to postpone the deadline now, "you take away the pressure that's needed to arrive at courageous decisions," said Werner Hoyer, Germany's minister for European affairs.

Still, calls for postponement have grown in recent days as a slowdown in the European economy and the strike by public workers in France against austerity plans have fanned doubts that enough EU countries can meet the strict budget criteria for a single currency.

In Paris, a leading French parliamentary figure told a reporter Thursday that he believed the best solution would be "a moratorium" on the introduction of a single currency.

He said the problem with a moratorium was finding a government willing to take responsibility for calling for one.

The pressure from the streets of France's major cities was reflected in a front-page editorial in the newspaper *Le Monde*, which urged EU leaders to consider delaying monetary union until 2001. Trying to meet the single-currency criterion for low budget deficits "could plunge Europe into a fearful circle of recession and trigger a new burst of unemployment," it warned.

Oskar Lafontaine, the new leader of Germany's opposition Social Democratic Party, also urged a delay in the timetable, saying Thursday that the drive was still continuing.

Catherine Colonna, a spokeswoman for President Chirac, said Wednesday that the French leader wished the Union "would concern itself more with daily matters like growth and employment."

Prime Minister John Major of Britain, meanwhile, was ex-

pected to renew his attack on the potential divisiveness of a single currency by demanding a study of the impact it will have on countries that do not take part.

Italy's prime minister, Lamberto Dini, agreed with Mr. Major on the need for a study

when the two leaders met last week.

Britain's longstanding concern about maintaining access to Europe's single market if it decides not to join a single currency has been heightened by the call last week from Mr. Kohl and Mr. Chirac for a treaty change that would allow certain EU countries to deepen cooperation without involving their other allies.

"It is a radical, radical undermining of the way the Union has been run," a senior British diplomat said.

Still, EU officials said the

divergences were not likely to block agreement on the blueprint for introducing a single currency or its name.

## Rate Shift Closes Dollar

The dollar closed lower on Thursday after falling amid increasing speculation that the Federal Open Market Committee would ease interest rates at next week's meeting, dealers said. AX News reported.

The dollar was quoted at 1,4384 Deutsche marks, down from 1,4492 DM on Wednesday, and the yen slipped to 101.48 yen, from 101.60 yen.

Still, EU officials said the

Bundesbank move will give the Bank of France room to lower its rates, giving it lower interest payments, possibly stimulating economic growth and giving it a better chance to reduce its budget deficit.

The cut comes at a critical time. France has endured more than three weeks of bitter strikes by public employees over planned tax increases and cuts in social spending to reduce France's bulging deficit. Lower interest rates will make it easier

## Technology Shares Pull Down Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell

Thursday, led by technology shares, as investors aggressively took profits before the end of the year.

The Dow Jones industrial average fell 34.32 points, to 15,182.15, after climbing to a

share, another sector that had seen spectacular gains, also fell sharply. Netscape fell 9/4 to 135/4, Spyglass dropped 4/4 to 97 and Uninet finished down 4/4 at 60.64.

The 30-year Treasury bond slipped 2/32 point, to 110 28/32; the yield was steady at 6.08 percent.

American depositary receipts representing shares in the Finnish mobile-phone maker Nokia were the most active issue on the New York Stock Exchange, where 466.2 million shares changed hands, up 35%, after the company issued a profit warning. ADRs in Ericsson, the Swedish mobile phone maker, were the most active issue on the Nasdaq exchange; they fell sharply.

A flurry of economic data indicating low inflation and modest growth tempered the market's fall.

The data eased fears that the economy was growing too fast to justify an interest-rate cut. Reduced interest rates tend to help corporate profits by cutting borrowing costs.

The data is still supportive

of the views that have really taken hold of investors," said Jim Sollaway, of Argus Research. "There really is very little reason for the Fed to hold back and not cut rates."

A U.S. rate cut was made even likelier, Mr. Sollaway said, by the cut in German rates.

(AP, Bloomberg)

## Very briefly:

## Fore Systems Agrees to Buy Alantec

SAN JOSE, California (Bloomberg) — Alantec Corp. said Thursday it would be acquired by Fore Systems Inc. in a stock swap valued at about \$716 million.

Under terms of the transaction, each of Alantec's shares outstanding will be converted into one Fore Systems share. Alantec will become a wholly owned subsidiary of Fore Systems.

Fore Systems makes computer networking equipment based on so-called asynchronous transfer-mode technology, which speeds the transmission of computer data through networks. Alantec makes network switches, devices that improve the performance of local-area computer networks.

• Oracle Corp. posted a 46 percent increase in earnings for its second quarter, ended Nov. 30, to \$136.9 million from \$93.9 million a year earlier, slightly higher than analysts had expected, on strong sales of database software.

• Canada plans to sell state-owned operations of the St. Lawrence Seaway to private investors.

• Polaroid Corp. is considering cutting 2,000 jobs under a restructuring being prepared by its new chief executive, Gary DiCamillo, the Boston Globe reported.

• McDonald's Corp. saw record international growth this year, having added 1,300 restaurants outside the United States.

• WellPoint Health Networks Inc. and Health Systems International Inc. are in talks to end WellPoint's proposed \$1.89 billion acquisition of Health Systems after failing to resolve their differences.

Bloomberg, Reuters

# Belgium Picks Ameritech

## Phone-Firm Stake to Bring \$2.5 Billion

Compiled by Our Staff From Dispatches

BRUSSELS — The government said Thursday it would sell 49.9 percent of the state telephone monopoly Belgacom SA to a group of companies led by Ameritech Corp. for 73.3 billion Belgian francs (\$2.5 billion).

The group led by Ameritech, which owns 37 percent, also includes Singapore Telecommunications Ltd. and Tele Denmark AS, bear a joint venture with the Dutch and Swiss national phone operators Koninklijke PTT Nederland and Swiss Telecom.

The Ameritech bid was chosen both because it offered a "significantly" larger sum of money than its rival and because it proposed a sounder business plan for the alliance, said Elio di Rupo, Belgium's communications minister.

John Goossens, chief executive of Belgacom, said the Ameritech consortium offered the best growth opportunities for the Belgian company.

"This partnership is a very satisfactory solution for Belgacom and the government — a partner from three different cultures with operators among the best performing in the world," he said.

Ameritech will need to make major improvements in Belgacom's productivity if it wants the company to compete successfully after the European Union liberalizes its telecommunications market in 1998.

"Belgacom would have had no chance of surviving the crunch date of 1998 without a strong partner," Mr. di Rupo said.

He said Ameritech was committed to spend-

ing "substantial amounts" on training Belgacom staff to prepare for competition. Proceeds from Belgium's largest privatization will help the government reduce its budget deficit, bringing it closer to its target of 3 percent of gross domestic product by the end of 1996, compared with 4.5 percent this year.

Belgacom is handicapped by 100 billion francs of unfunded pensions liabilities, 95 billion francs of debt and high labor costs. The scope for reducing its costs is limited because of government insistence that there be no reduction in the 26,000-person work force for at least the next few years.

The company's business charges are 28 percent higher than those of British Telecommunications PLC, a potential rival after 1998.

British Telecom submitted a joint bid for Belgacom with Bell Atlantic Corp. The companies withdrew their bid in October because they said they would not be allowed enough control over Belgacom's business services.

Nine groups of companies submitted bids when the Belgian government invited tenders a year ago. Three of those were put on a short list during the summer.

Belgacom had net profit of 9.88 billion francs last year, up 2 percent from 1993. The company forecast higher earnings in 1996 and said it may be able to pay a dividend in 1997.

The sale of the Belgacom stake is subject to European Commission approval. Mr. di Rupo said he expected the sale to be closed within six months.

(Bloomberg, Reuters, AP)

## EU Will Permit Iberia To Receive Cash Infusion

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Thursday it would allow the Spanish government to inject 87 billion pesetas (\$673 million) into Iberia Air Lines, ending a yearlong dispute over how much aid the ailing airline could receive.

Spain originally asked permission to give Iberia 130 billion pesetas. It may be allowed to inject a further 20 billion pesetas into Iberia in 1997 if the carrier improves its productivity and earnings, the commission said.

To get the state assistance, Iberia will have to sell many of its Latin American interests.

An aide to Neil Kinnock, the EU commissioner for transportation, said Merrill Lynch & Co. and Bankers Trust New York Corp. would acquire Iberia's Aerolineas Argentinas and a Chilean airline but would not acquire a Venezuelan airline that Iberia is keeping because it is profitable.

Iberia meets the financial and performance targets set by the commission, in two years it can exercise an option it holds to reacquire these Latin American interests, the aide said.

A consultant's report carried out for Merrill Lynch found that Aerolineas Argentinas had debts totaling \$730 million and assets of \$600 million to \$1 billion — "so it's not worth very much," the report asserted.

The cash infusion is likely to prompt an angry response from such rival airlines as Scandinavian Airlines System, which warned before the ruling that it would consider legal action if "my funds were allowed to flow to them" (Bloomberg, AFX)

## Agnelli Now Favors Retirement Age

Bloomberg Business News

MILAN — Moving to limit the length of his successor's reign as the chairman of Fiat SpA, Giovanni Agnelli proposed Thursday that the company restructure its retirement age of 75 for directors.

Mr. Agnelli, 74, announced his own retirement Monday. Two years ago, he had the retirement age removed, saying the company needed him to steer

it out of a crisis. On Monday, Mr. Agnelli said he would be succeeded by Fiat's chief executive, Cesare Romiti, who is 72. Mr. Agnelli said Mr. Romiti would not be chairman for long.

Mr. Romiti had cool relations with Mr. Agnelli's younger son, Umberto, who son Giovanni Alberto Agnelli, has been mentioned by his uncle as an eventual successor as chairman. The younger Giovanni Ag-

nelli is president of the scooter maker Piaggio SpA, his mother's family's company.

Fiat also said Thursday that Paolo Cantarella, head of its car division, would replace Mr. Romiti as chief executive. The company said Mr. Agnelli had confirmed at a board meeting that he would resign before his 75th birthday March 12. After that, he will serve as honorary chairman.

## Hafslund Plans to Spin Off Energy Unit

Bloomberg Business News

OSLO — Hafslund Nycomed A/S, thwarted last month in a bid to merge with the U.S. generic-drug maker Ivar Co., announced plans Thursday to spin off its energy division, creating two separate companies.

The move, if approved by shareholders, would give existing investors one share in each company to retain share they own in Hafslund Nycomed.

Hafslund got 83 percent of its 1994 sales of \$1.25 billion from drugs and medical imaging

products. Its energy business, Norway's largest private hydroelectric generator, accounted for 13 percent of sales and about 10 percent of profit.

"We feel the time is right for the energy company to stand on its own legs," said Alex Gundersen, manager of investor relations.

But some analysts said the plan appeared to offer few benefits for shareholders.

Hafslund shares rose 1 kroner (15.5 cents) to 169 in Oslo. In London, Hafslund shares rose 2.25 pence (3.4 cents), to 170.

## Siemens Sees 20% Profit Rise

Compiled by Our Staff From Dispatches

MUNICH — Bayerische Vereinsbank AG confirmed

Thursday that it had ended talks to take over Oppenheimer & Co. because of U.S. regulatory obstacles but said it would continue its search for an asset-management acquisition.

"We have ended the talks," said Richard Lips, a spokesman for Vereinsbank, who added, "We're still interested and will keep looking" for another prospect.

Mr. Lips said the bank, one of Germany's largest, ended the talks because the U.S. Federal Reserve said a decision on whether the acquisition could go ahead might take several months to a year.

The uncertainty surrounding the deal for length of time would have been unbearable," the bank said.

Despite the uncertainty, however, the German bank would have been obliged to close down its commercial banking activities in the United States immediately, to maintain the separation between commercial and investment banking required by U.S. law.

Officials at Dresdner Bank AG said they could not comment immediately on whether Dresdner's planned acquisition of RCM Capital Management from Travelers Group Inc. faced a similar regulatory hurdle.

The company, which is planning 7,000 layoffs this year, will invest as much as 7 billion DM in production of dynamic random-access memory chips, according to the general manager of the semiconductor unit, Andreas von Zitzewitz.

Mr. von Zitzewitz also said the unit was working on a new chip for multimedia products.

Separately, Advanced Micro Devices Inc. said it would invest 2.8 billion DM in a new chip factory in Dresden. Plans by Siemens for a 2.7 billion DM chip plant there have inspired smaller supplier companies to move to Dresden, where the work force is highly skilled, analysts said.

On Tuesday, Texas Instruments Inc. and Hitachi Ltd. of Japan said they would build chip factories. All of this expansion in chip-making facilities comes despite forecasts that the semiconductor industry is in for a period of falling demand.

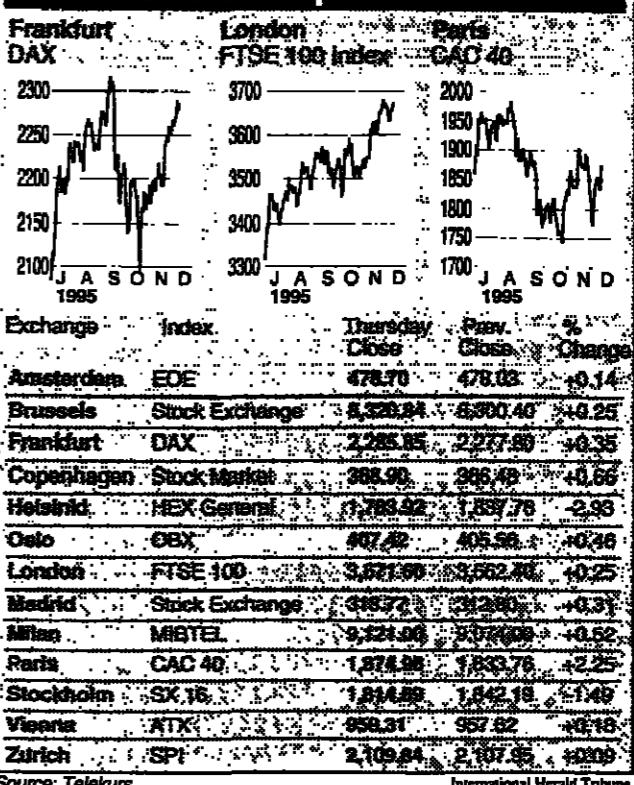
The Siemens semiconductor division, the engine that drove profit growth last year, will spur in the new business year and see earnings flatten or decline slightly, said Karl-Hermann Baumann, the company's finance director.

Heinrich von Pierer, the chief executive, emphasized the growing role of Siemens's international operations.

"We assume that most growth will occur in our international business and that business will stagnate in Germany," he said, adding that communications and information businesses would be the "growth drivers."

(AFX, Bloomberg, Reuters)

## Investor's Europe



**Thursday's 4 p.m. Close**  
Nationwide prices, not reflecting late trades elsewhere.  
The Associated Press.

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

A-B-C

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

D-E-F

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

G-H-I

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

J-K-L

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

M-N-O

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

P-Q-R

**LIVING IN THE U.S.  
NOW PRINTED IN  
NEW YORK  
FOR SAME DAY  
DELIVERY  
IN KEY CITIES**

TO SUBSCRIBE, CALL  
**1-800-882 2884**  
(IN NEW YORK, CALL 212-752-3890)

**Herald Tribune**  
THE WORLD'S DAILY NEWSPAPER

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

S-T-U-V-W-X-Y-Z

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

AA-BB-CC-DE-FF-GG-HH-LL-

12 Month  
High Low Stock Div Yld PE B/R High Low Latest Chg/

MM-NN-OO-PP-RR-SS-

**HUGO BOSS**

**ADVERTISING**  
HUGO BOSS

10 Avenue Marie-Thérèse  
NOTICE TO ALL

CITIN

NOTICE TO ALL

## ASIA/PACIFIC

# Australia Settles Air-Traffic Dispute With Hong Kong

Compiled by Our Staff From Dispatches

CANBERRA — Australia and Hong Kong have settled their long dispute over the number of passengers Qantas Airways Ltd. can carry directly from Hong Kong to Bangkok and Singapore, Australia's transport minister said Thursday.

The official, Laurie Brereton, said that under the agreement, there would still be limits on the amount of traffic Qantas could carry, but he said he could not provide details on those limits.

Analysis described the arrangement as a victory for Qantas and said restrictions on the airline appeared to apply only to the size of its aircraft on the routes involved, limiting Qantas to Boeing 767's, which carry around 230 passengers.

"It looks like they can pick up as many passengers as they like from Hong Kong, provided they continue to use 767's and not introduce larger planes," a Melbourne-based analyst said.

If Qantas introduced bigger planes on the route, such as Boeing 747's, the airline would face strict limits on passenger numbers, Australian government sources said.

"The resolution of the differences between the parties is workable from the Qantas point of view and enables us to provide a continuity of service for passengers on those sectors," James Strong, Qantas's managing director, said.

Hong Kong's main carrier,

Cathay Pacific Airways Ltd. does not face limits on its current services to Australia.

The dispute flared up in April when Hong Kong said it would limit the number of passengers that could board a Qantas plane in Hong Kong en route to Bangkok or Singapore.

Australia responded by threatening to impose a load limit on Cathay Pacific Airways flights between Sydney and Hong Kong.

"From our perspective, the key element in the new package is the agreement to cap 'fifth freedom' loads," a Hong Kong government spokesman said. This was the nub of the original dispute, and we are pleased that the issued has been settled once and for all."

So-called fifth freedom rights cover carriage of passengers and freight by an airline between destinations outside its home country.

The agreement signed Thursday calls for further talks over the next six months to negotiate expanded capacity on the Australia-Hong Kong route, which analysts saw as a key concession to Cathay Pacific.

Qantas and Cathay Pacific said the agreement would not have an impact on their profits.

Shares in Qantas closed at 2.28 Australian dollars (\$1.69), down 1 cent, while Cathay Pacific closed at 11.85 Hong Kong dollars (\$1.53), down 20 cents. (Bloomberg, Reuters)

## Tokyo Sees Thaw in U.S. Feuds

Bloomberg Business News

TOKYO — U.S.-Japanese disputes over access to Japan's photo-film and computer-chip markets are not likely to become "major issues," Kunio Saito, Japan's new ambassador to Washington, said Thursday.

"I feel confident in saying that film and semiconductors will not become major sources of conflict between the two countries," Mr. Saito said.

The United States and Japan do not have as much at stake in the film or chip disputes as they did in their auto-trade talks, he said.

U.S. semiconductor makers have made significant gains in the Japanese market under the chip accord, and Eastman Kodak Co. has "no intention" of asking for sanctions against Japan, he said.

## ASEAN Girds for the Challenges of Indochina

By Michael Richardson  
International Herald Tribune

BANGKOK — Even as ASEAN countries were to launch new policies Friday aimed at further liberalizing trade and strengthening regional cohesion, some leaders said Thursday that the group would have to take more radical steps to catch up with regional economic communities in Europe and the Americas.

They also cautioned that the planned entry of Laos, Cambodia and Burma into ASEAN, the Association of Southeast Asian Nations, in the next few years — following Vietnam's admission in July — could complicate decision-making and slow progress toward regional free trade.

Vietnam and Laos are Communist-ruled countries. Burma is run by a military regime that has been widely condemned for repressing democracy and violating human rights. Cambodia is struggling to recover from years of civil war and foreign military occupation.

All four countries have much lower levels of economic development than the six core ASEAN members — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

"More members mean more challenges," said Sultan Muda Hassanal Bolkiah of Brunei. "New members will increase our political, economic and cultural diversity."

He was speaking at the opening of a two-day summit of ASEAN heads of government that was being attended for the first time by the leaders of Laos, Cambodia and Burma.

Officials said the ASEAN leaders had agreed in private talks Thursday to help marshal a major international aid program to help the three Indochinese countries and Burma close the economic gap with other members of the group.

They said the leaders also had agreed to start integrating the three candidate members of ASEAN into some of the group's activities even before they joined.

President Suharto of Indonesia said that by extending support to Laos, Cambodia and Burma, "we will ensure their smooth integration into the various activities and processes of ASEAN."

Prime Minister Mahathir bin Mohamed of Malaysia said that "intensification of trade and investment with these immediate neighbors of ours" would bring mutual benefits to all of Southeast Asia.

Other leaders were less upbeat on the prospects of rapid regional integration. "The Europeans are building their common house of Europe," said Prime Minister Goh Chok Tong of Singapore. "The extended family home of Asia may be 50 years or even 100 years away."

Officials said the summit would end Friday with the signing of agreements to broaden ASEAN's program to liberalize trade in most goods by 2003.

They said new services and plans to heighten protection of intellectual property, along with new investment projects and a

program to bring about uniform customs procedures and product standards in the region, would be added to the liberalization package.

Under ASEAN's free-trade program, which covers more than 80 percent of goods traded in the region, tariffs are to be cut to no more than 5 percent by 2003, with similar reductions in non-tariff barriers.

Vietnam, however, has been given until 2006 to complete its tariff-cutting, and Burma, Cambodia and Laos are expected to be given similar leeway.

The main amendments to the original tender documents, forwarded in Addendum No. 1, are:

• Turnover requirements changed to \$100M over the past five years.

• Experience requirement: successful completion of one similar project within the past five years.

N.B.: Contrary to what is mentioned in Addendum No. 1 the bid opening shall take place on Monday January 8th 1996 same hour and place.

## GUCCI: After a Mediocre Decade, Company Enjoys a Renaissance

Continued from Page 13

by scrapping some products, including many cheaper ones such as canvas and plastic handbags, by eliminating licensed shops that had diluted the brand and by limiting U.S. sales to shops it controlled and a handful of luxury department stores.

To make over the products, Ms. Mello hired a young designer named Tom Ford who had worked for Perry Ellis, a unit of Salam Corp.; Mr. Ford won quick praise for his fresh ideas — even though they were often based on Gucci's 70-year archive of styles.

"We went into the archives and found photos and original samples," Ms. Mello said. "People brought us their favorite items — a wallet, a piece of jewelry. Everyone loved Gucci, and they were pleased to see this happening."

Rave reviews have kept coming in for Mr. Ford's work. He has just received two prestigious awards for designing Gucci's ready-to-wear fashions and footwear; in February, the

Council of Fashion Designers of America plans to name him designer of the year.

Gucci's sales growth has been strongest in the United States and Asia.

But Gucci has also been spending heavily to fill gaps in northern Europe and plans to open stores in Germany.

## GOVERNO DO ESTADO PARANÁ

## COPEL

## SALTO CAXIAS HYDROELECTRIC POWER STATION IGUAÇU RIVER INTERNATIONAL COMPETITION C-208 GANTRY CRANES CALL FOR BIDS

COMPANHIA PARANAENSE DE ENERGIA-COPEL, informs that an international competition is open for design, manufacture, shop tests, transportation and delivery on jobsite, erection and commissioning supervision of 3 (three) gantry cranes (one for intake, one for the powerhouse and one for the spillway) for the Salto Caxias Hydroelectric Power Station, located on the border of Capitão Leônidas Marques and Novo Pilar do Iguaçu counties, in the State of Paraná, Brazil. This lowest price type international competition is open to individual companies and/or joint ventures.

The costs related to this supply will be covered by COPEL's own funds. The instructions to Bidders and the Contract Documents will be available to Bidders from December 04, 1995, until the day before the documents delivery date, against payment in Brazilian currency of R\$ 150,00 (a hundred and fifty Reais), at the following addresses:

Superintendência de Obras de Geração  
Rua Voluntários da Pátria, 233 - 5º andar - sala 504  
50020-000 - Curitiba - PR, Brazil  
Phone (55-11) 322-1212 - Ext. 5541  
Fax (55-11) 331-3265  
or  
Escritório COPEL/São Paulo  
Alameda Santos, 1800 14º andar - conj. 14B  
01418-200 - São Paulo - SP, Brazil  
Phone (55-11) 289-1431

At the time of purchase of the instructions to Bidders and the Contract Documents, the company shall present a letter containing name and department of the person for contact, his/her complete mailing address, phone and fax.

The receipt of the Qualification Documents and the Price Bids is scheduled for (February 15, 1996), at 2:00 PM, at COPEL's office meeting room, in Curitiba, 233 Voluntários da Pátria Street, ground floor.

The competition will be ruled by Law No 8866, dated June 21, 1993, and by other conditions stated in the instructions to Bidders and in the Contract Documents.

COMPANHIA PARANAENSE DE ENERGIA

## Hitmen Turned Squatters Yakuza Add to Japan's Property Crisis

By Sandra Sugawara  
Washington Post Service

tattoos. Some are missing their little fingers — often a voluntary amputation through which a yakuza demonstrates loyalty to his gang.

In large part, the business of the yakuza is the standard fare of organized crime anywhere — drugs, prostitution, protection. But much of Japanese society has long viewed the yakuza not only as criminals but as necessary mediators and facilitators.

For instance, after car accidents, parties who feel that they should be compensated sometimes hire gang members to transmit the message to the other party. A visit from a yakuza member may resolve the matter quickly. Likewise, landlords may ask yakuza members to pay visits to tenants who won't leave.

During the bubble period, the yakuza accumulated cash from traditional activities and, like many Japanese, invested in real estate and the stock market.

Some securities companies and banks actively sought business from cash-rich yakuza-affiliated groups, according to Raisuke Miyawaki, formerly in charge of the National Police Agency's organized-crime division and now a corporate adviser.

But when the economic bubble burst and land and stock prices plummeted, banks were left with yakuza borrowers who refused to repay their loans or relinquish their assets, Mr. Miyawaki said.

Another growing problem is yakuza squatters. When housing units become empty, Mr. Sasaki said, yakuza will move in and refuse to leave. In addition to getting free office space, they sometimes sublet the space or go to other tenants and announce that they are the new owners and should receive the rent payments.

Mr. Sasaki said that out of 1,200 units his company owned, 75 had been occupied without rental agreements, and 45 of those occupants had "direct links" to gangsters.

He said he had filed about 30 lawsuits and had won most of them, enabling him to retake about 38 units. But even with the court decisions, he said, "I used force to take back these units."

## Sony Signs TV Venture In China

Compiled by Our Staff From Dispatches

SHANGHAI — Sony Corp. said Thursday it had signed an agreement to set up a joint venture in Shanghai that would account for 11 percent of its global output of television sets by 1998.

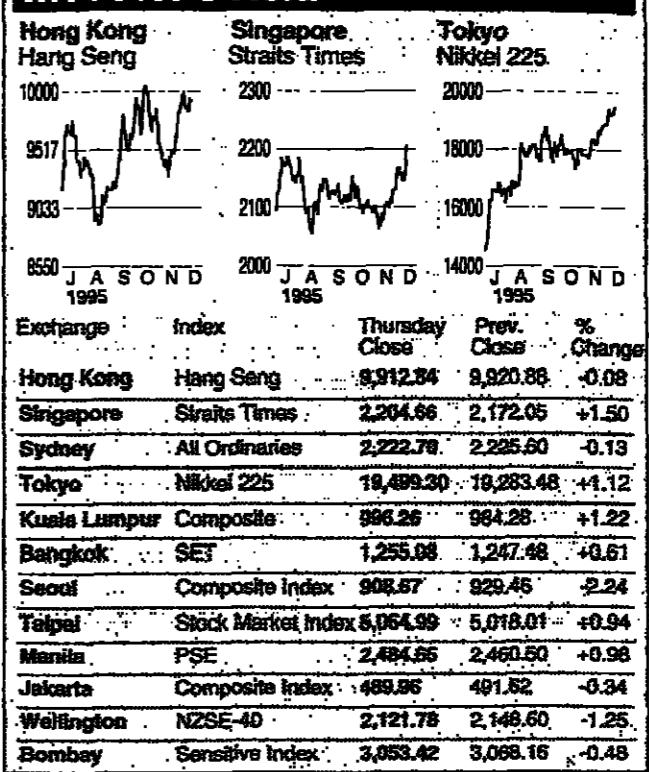
Sony is to hold a 70 percent stake in the venture, to be called Shanghai Suoguang Visual Products Co.; Shanghai Video & Audio Electronics Co. is to own 20 percent, and Shanghai Vacuum Electron Device Co., 10 percent. The total investment by the three partners will be around \$410 million, Sony said.

The plant, to be built in Shanghai's Pudong development zone, would produce Trinitron televisions, computer displays, cathode-ray tubes and other electronics components and would begin operation in late 1996.

Some analysts say the new venture would be Sony's fourth and largest production site in China and its second in Shanghai.

Sony said its annual production capacity for televisions and

## Investor's Asia



Source: Telekurs International Herald Tribune

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

The new venture would be Sony's fourth and largest production site in China, where demand for color televisions is expected to rise 15 percent next year, to 15 million, according to

China Electronics Weekly, a trade publication.

In accordance with the wishes of the Chinese government, however, 70 percent of production would be designated for export, Sony said.

(Reuters, Bloomberg)

computer displays would reach 3 million by 2000.

**NASDAQ**

---

**Thursday's 4 p.m.**  
The 1,000 most-traded National Market securities in  
terms of dollar value, updated twice a year.  
The Associated Press

**NYSE**

**Thursday's 4 p.m. Close**  
**(Continued)**

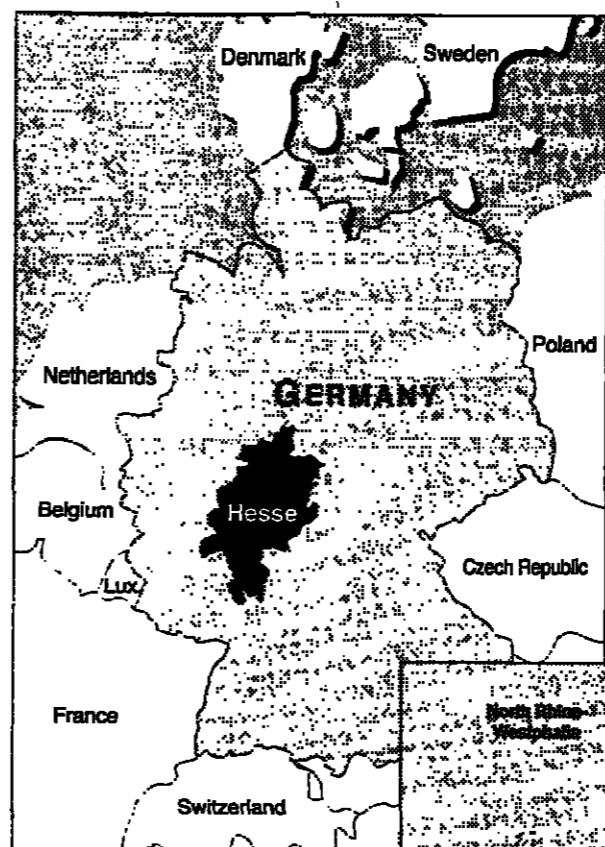
12 Month High Low Stock										12 Month High Low Stock										12 Month High Low Stock										
Div	Yld	PE	100s	High	Low	Latest Chg	Div	Yld	PE	100s	High	Low	Latest Chg	Div	Yld	PE	100s	High	Low	Latest Chg	Div	Yld	PE	100s	High	Low	Latest Chg			
000							000							000							000									
001							001							001							001									
002							002							002							002									
003							003							003							003									
004							004							004							004									
005							005							005							005									
006							006							006							006									
007							007							007							007									
008							008							008							008									
009							009							009							009									
010							010							010							010									
011							011							011							011									
012							012							012							012									
013							013							013							013									
014							014							014							014									
015							015							015							015									
016							016							016							016									
017							017							017							017									
018							018							018							018									
019							019							019							019									
020							020							020							020									
021							021							021							021									
022							022							022							022									
023							023							023							023									
024							024							024							024									
025							025							025							025									
026							026							026							026									
027							027							027							027									
028							028							028							028									
029							029							029							029									
030							030							030							030									
031							031							031							031									
032							032							032							032									
033							033							033							033									
034							034							034							034									
035							035							035							035									
036							036							036							036									
037							037							037							037									
038							038							038							038									
039							039							039							039									
040							040							040							040									
041							041							041							041									
042							042							042							042									
043							043							043							043									
044							044							044							044									
045							045							045							045									
046							046							046							046									
047							047							047							047									
048							048							048							048									
049							049							049							049									
050							050							050							050									
051							051							051							051									
052							052							052							052									
053							053							053							053									
054							054							054							054									
055							055							055							055									
056							056							056							056									
057							057							057							057									
058							058							058							058									
059							059							059							059									
060							060							060							060									
061							061							061							061									
062							062							062							062									
063							063							063							063									
064							064							064							064									
065							065							065							065									
066							066							066							066									
067							067							067					</td											

GERMANY  
HESSE

Frankfurt, Germany's financial capital, is currently Europe's fastest-growing city.



Now 50 years old, the state of Hesse is punching into a higher gear. With the highest gross domestic product per capita of Germany's major states, it is using this economic might to transform its industrial sector into a faster, leaner and more deft tool for regional development.



## TOWARD FURTHER PROGRESS AND PROSPERITY

Hesse is arguably Europe's most prosperous region. But Hesse's importance to Europe goes beyond its sheer economic clout.

**H**esse is among the most successful of Germany's 16 states. It has the highest gross domestic product per capita among the country's major non-city states. While the figures for Bremen and Hamburg are higher, they are swelled by the daily influxes of commuters from outside these cities. Hesse's GDP is coupled with a level of public-sector debt and rates of unemployment sharply lower than those of these cities – and of most of the rest of Europe.

On the European level, Hesse vies with greater London and Brussels for the lead among the Continent's regions. Unlike them, Hesse is neither the seat of national or international government, nor is its prosperity linked to a large-scale agglomeration of civil servants and related functionaries – its jobs have been largely produced by the state's private sector. This is reflected in its high exports and industrial productivity per employee and total patent figures. In each of these categories, Hesse ranks in the top three among Germany's states. Moreover, this prosperity has been achieved in a state whose only natural resources have been a surpassingly good location and a large dash of native entrepreneurial skills.



Hans Eichel, Hesse's prime minister.

**Role model**  
Hesse's importance to Europe, however, derives less from the state's own accomplishments than from the challenges facing the Continent.

To maintain its high standard of living and to secure its business base, Europe is finding that it has to trim planning and approval times and procedures, and to become as quick at developing and exploiting technologies and markets as Asia and America are. By doing so, Europe hopes to find the new sources and sectors of employment needed to re-place those currently heading east and south. The vision is of an economy built around the quick and flexible provision of the high-end services and products needed by a rapidly developing world.

"Because we in Hesse do, demonstrably, have that speed and those advanced products and services, we can, in fact,

serve as a role model," says Hans Eichel, the state's prime minister.

**Built for speed**  
Fast-moving planes, trains and trade fairs provide the first-time visitor with an immediate appreciation of Hesse's speed and the scale of its service sector.

The arrival point for many visitors to the state is Frankfurt Airport, the Continent's busiest. It is Germany's largest single contiguous place of employment, with 53,000 workers. The other common arrival point, Frankfurt's main train station, handles more trains and passengers than any other rail facility in Europe.

Each year, 1.5 million people come to Hesse to attend one of the events staged by Messe Frankfurt, the city's trade fair authority, which ranks number one in attendance in the world. The authority provides employment, directly and indirectly, for 7,000 people.

Others arrive to do business with Frankfurt's banks and brokers, part of the Continent's largest financial community, employing over 100,000 in the state.

Though important, these transport, financial, trade fair and other services are not necessarily the state's fastest-growing ones. "Actually, such secondary services as research and development, and business organization and management form the fastest-growing areas in our service sector," says Mr. Eichel. "Our R&D institutes and management consultants are linked to our manufacturing sector. They supply the sector with its state-of-the-art production facilities and products."

Other high-end services, such as the broadcast media and software engineering and design, have become industries in their own right. More than 50 percent of total state employment is provided by high-end services – the best mark in Europe – while much of the rest is from an industrial sector whose products and models are generally less than five years old.

**Job creation**  
Repeat visitors to Hesse notice another kind of speed: the rate of population and business growth in Frankfurt, currently Europe's fastest-growing city, and in the Rhine-Main-Neckar region as a whole.

The two kinds of growth go hand in hand. The availability of jobs and a desirable quality of life induced 1 million people – mostly young, well-qualified adults – to migrate to Hesse during 1983-93. Two-thirds of them came from elsewhere.

where in Germany, the rest from 60 other nations. Many of the foreigners were posted by their companies to Hesse, which is the recipient of just under a quarter of the cumulative foreign net investment in Germany. "The state's foreign business community reads like a Who's Who of International Companies," says Lothar Klemm, Hesse's minister of economics.

**Maneuverability**  
Hesse's performance sets two important examples, says Mr. Eichel. "First, the rapidity with which new factories, apartment complexes and infrastructure facilities have gone up in the state has shown the world's business community that there are regions in Europe capable of a fast turn, areas not hamstrung by restrictive rules and regulations," he says. "Second, the society emerging from this period of growth is relatively young and very multicultural. Twenty-eight percent of Frankfurt's residents are holders of non-German passports. That's a record for the country."

He concludes: "We all live in peace and prosperity. This absence of strife allows us to tackle the many challenges facing Hesse and Europe as a whole, such as redressing past environmental regresses or caring for our sick and disadvantaged."

## A HOTBED OF HIGH-TECH ACTIVITY

Experience and innovation can often go hand in hand, as Hesse's manufacturers prove.

**T**he stereotypical high-tech company is young, involved in something highly technical and profitable, and located in a garage or basement in the local version of Silicon Valley or Technology Triangle.

In Hesse's case, this area is contiguous with the Rhine-Main-Neckar agglomeration, home to 40 independent research centers, four polytechnic schools and two universities – including Darmstadt's renowned Technical University – and roughly two-thirds of the 3,000 high-tech companies in Hesse.

Since most of these companies are young – less than 10 years old – and busy developing such things as advanced methods of neon-tube recycling, DNA sequencers and fluid dynamic calibrators, the stereotype would seem to have some validity. Especially where it's corroborated by such examples as Dalmi GmbH, recently selected by the business weekly *WirtschaftWoche* as one of Germany's six leading ex-garage companies. Located in the southern Frankfurt suburb of Neu Isenburg-Zeppelinheim, Dalmi, now 10 years old, has posted rates of growth ranging from 40 percent to 110 percent a year.

**Crucible**  
Dalmi exemplifies one particularity of Hesse's high-tech community: its internationality. Dalmi's founder and managing director, Francis Lamy, is French. Its capital has come from venture funds located in the United States, Japan, the Netherlands and Germany itself. Its object-oriented graphics software has been purchased by companies ranging from Germany's Springer and Burda and France's Hachette to Michigan's North American Color.

Of course, not all of the state's high-tech companies are small or young. Founded in 1946, Dreieich's Biotech is indisputably Germany's largest biomedical company. Powered by surging sales of its biologically manufactured monoclonal antibodies, the company recorded revenues of 286 million Deutsche marks (\$204 million) in 1994, three times more

than the next nine runners-up combined, according to *WirtschaftsWoche*. Biotech's size would rank it fifth in the United States, the center of the world's biotechnology industry.

Nor are the state's high-tech champions necessarily located in the Rhine-Main area or involved in developing brand-new products.

Take the microscope, in active use since 1590, or about 250 years before the production of these and other high-quality optical and measuring instruments began in Wetzlar. This central Hessian town of 54,000 is located just to the west of Giessen.

**Transforming the product**  
Since 1849, the development of the microscope from the invaluable tool of pioneering microbiologists to the core component of microelectronic production, material engineering and environmental protection systems has been impelled by the locally based Ernst Leitz company, today named Leica Mikroskopie und Systeme GmbH. The company forms part of the worldwide Leica group, also known for its range of high-quality cameras.

The product may bear the same name, but the technologies incorporated into the microscope have changed, and changed repeatedly over the last century and a half, as have its capabilities and areas of use," points out Karin Jacoby, spokesperson for Leica, "and these changes have helped alter our world."

Leica's first major innovation was to introduce methods of mass production into its field, hitherto the province of highly skilled, painstaking craftsmen, and to vastly upgrade the microscope's powers of resolution and scope of use.

The ensuing flood of high-precision, affordable microscopes advanced the detection and treatment of diseases by such noted "microbe hunters" as Rudolf Virchow, Louis

Continued on page 20

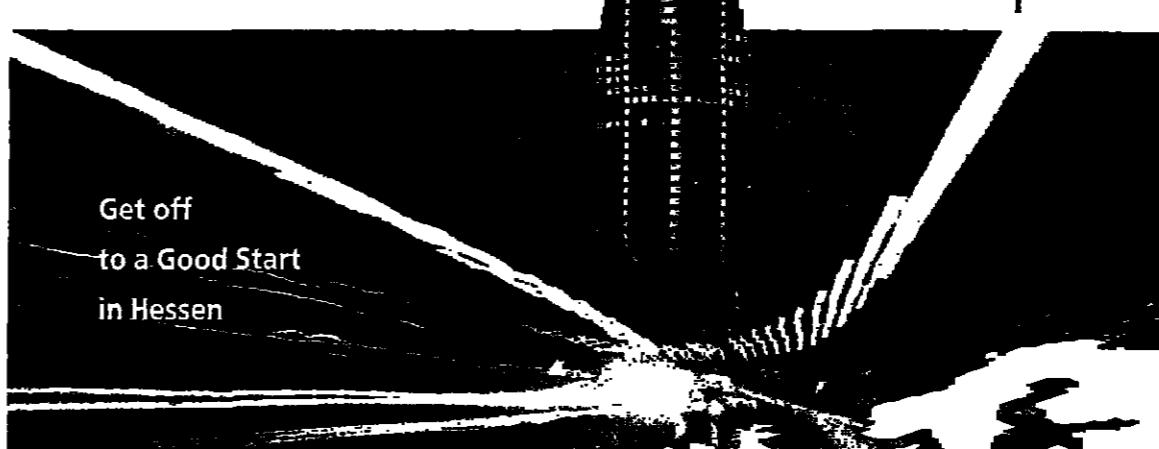
**Hessen** is the natural location if Europe is your target and you want to establish a base or expand your operations there.

Centrally positioned in Europe, Hessen is one of Germany's most dynamic federal states with a thriving, diversified economy. In fact, Hessen has attracted more total foreign direct investment than any other German state. And for good reasons. Hessen is at the heart of Germany's sophisticated transportation infrastructure which provides speedy access to all important economic regions in Europe and around the globe. Many of the innovative components and products used around the world are developed and manufactured in Hessen, Germany's most productive state.

## State of Hesse

Population: 5.9 million  
Area: 21,114 square kilometers  
Capital: Wiesbaden (pop. 270,000)  
Prime Minister: Hans Eichel  
Other major cities:  
Frankfurt am Main (664,000)  
Kassel (201,000)  
Darmstadt (140,940)

## Expanding in Europe?



Hessen's strong service sector provides an extensive support system for companies located in the region. Hessen is also the home to continental Europe's leading international financial center, Frankfurt am Main.

With its dynamism, diligent workforce, and commitment to quality, Hessen offers an ideal environment for companies that want to succeed in Europe, either on their own or with reliable local partners.

To find out how your company can benefit from Hessen's many qualities, just contact the HLT-Group, the service agency working to support, assist and advise foreign companies interested in locating in Hessen.

Our comprehensive services range from identifying suitable locations and cooperation and joint venture partners to providing access to state and federal grants as well as a wealth of specific information relevant to businesses.

HLT  
Please call, write or send a fax to:  
Wirtschaftsförderung Hessen  
Investitionsbank AG  
Abraham-Lincoln-Strasse 38-42  
D-65189 Wiesbaden, Germany  
Telephone 611-774-0  
Telex 611-774-265

"Hesse" was produced in its entirety by the Advertising Department of the International Herald Tribune.  
It was sponsored by the State Government of Hesse, Adam Opel AG, Leica Mikroskopie und Systeme GmbH  
and the display advertisers.

WRITER: Terry Swartzberg is a business writer based in Munich.  
PROGRAM DIRECTOR: Bill Maher.

## H E S S E

## FINANCE MOVES FROM STRENGTH TO STRENGTH

*Is Frankfurt on the way to becoming the world's biggest stocks and securities exchange?*

**O**n paper, the arithmetic looks simple enough. The total annual turnover at Frankfurt's stocks and securities exchange has risen 152 percent over the last five years, bringing it within about 40 percent of those of co-leaders New York and London, which have grown at a third of that rate during the same time.

At the last five years' rates of growth, parity among the world's three largest exchanges is no more than four years off, with Frankfurt arriving in the lead the following year. Anything wrong with the arithmetic?

"The arithmetic is correct – as far as it goes," says Walter Allwicher, spokesman for Deutsche Börse, the operating company for the Frankfurter Wertpapierbörse (FWB), the city's stocks and securities exchange, and Deutsche Terminbörse (DTB), its financial futures and options exchange. "However, as each

exchange employs its own scope of accounting, the figures are of limited comparability to each other. The arithmetic does correctly show how quickly Frankfurt has been growing. We're confident that this growth will continue at a strong pace."

**Up and up**

Accompanying Frankfurt's rise on the international level has been growth on the domestic front. At its current growth rate of one percentage point a year, Frankfurt, now with 74 percent of the country's prospering shares and securities market, will have a near-monopolistic 80 percent share by 2000.

Contributing to the growth of FWB and to the country's shares and securities market as a whole have been IBIS (Integriertes Börsenhandels- und Informations-System, or Integrated Stock Exchange Trading and Information System), BOSS

(Börsen-Order-Service System) and other electronic trading and transaction recording and monitoring systems initiated and operated by Frankfurt. Now well out of their shadowed phases and enjoying increasing popularity in Germany's financial community, these systems have vastly streamlined and speeded up the country's methods of shares and securities dealing.

**Unifying forces**

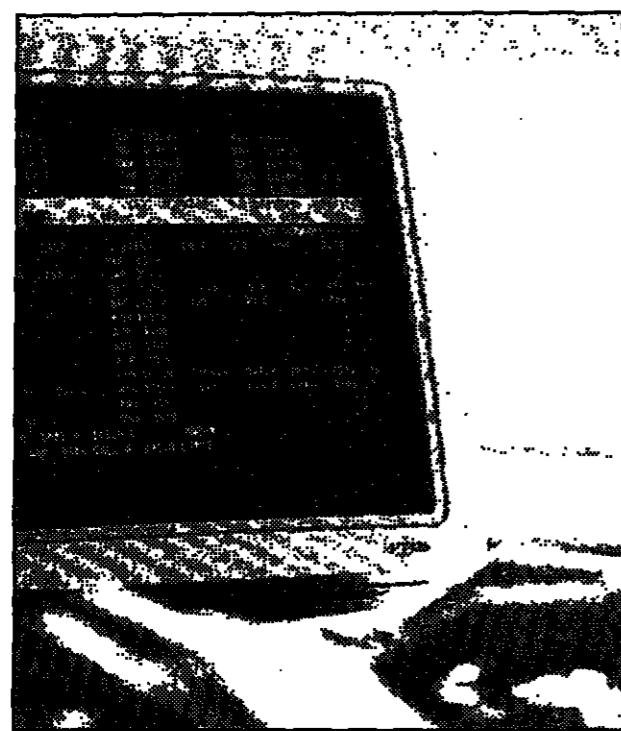
Deutsche Börse AG's headquarters are within easy walking distance of the Bundesaufsichtsamt für den Wertpapierhandel, Germany's securities and exchange commission, which started operations on Jan. 1, 1995.

The creation of this stock and securities supervisory agency was one of the key provisions of the country's recently enacted Second Act on the Regulation of Financial Markets.

which also set up stringent and sweeping insider trading rules for the new agency to enforce.

As its current, vigorous prosecuting of several such cases shows, the agency means to make full use of its considerable powers in maintaining a "fair and freely accessible playing field," as a recent report in *Handelsblatt*, the Germany's business daily, put it. "An agency with a strong bark – and an even stronger bite" was the report's conclusion.

A further consolidation of Germany's stock and securities trading sector seems in the cards. According to reports published in Germany's financial journals, Deutsche Börse and the exchanges of Düsseldorf, Berlin and Munich – accounting for well over 90 percent of all turnover in Germany – are set to ink an agreement unifying and integrating their operations in an amalgamation that will be managed by Frankfurt. ■



Frankfurt's computer screens monitor the movement of billions of marks in options and futures.

## FRANKFURT: MORE THAN EVER A BANKING NERVE CENTER

*A new world of electronics-based, on-line banking has come to Germany.*

**T**o maintain its role as the hub of banking and other financial services in Germany, Frankfurt's financial community has installed revolutionary communication and transaction systems. Santander Direkt Bank is a foreign-owned bank. It started operations in Frankfurt at the end of last year. Both facts make it rather ordinary in the city, which has seen 57 foreign-owned banks set up shop over the last 10 years. In fact, foreign-owned banks now account for two-thirds of the 420 banks in the city.

Part of Spain's largest banking group, Santander Direkt Bank has a balance

sheet almost exactly one-thousandth the size of that of Deutsche Bank AG.

Accordingly, the bank's founding received little attention in the world's financial media. Of course, even the founding of a much larger bank would have had a hard time commanding the media's attention. Their outposts in Frankfurt are very busy monitoring the latest pronouncements and decisions from the Bundesbank and from the European Monetary Institute.

The lack of media attention was probably a mistake. Despite its apparent ordinariness and despite the fact that it is located in Frankfurt, Santander Direkt Bank would seem to represent the most serious challenge yet to the city's primacy in Germany's financial sector.

**On-line banking**

The electronic bank has no branches, no counters and can be reached 14 hours a day, five days a week via telephone and fax or on-line. Like comdirect bank, Allgemeine Deutsche Direktbank and Optimus bank, which are all based in the Frankfurt area, Santander offers both standard banking and stock and securities brokerage services.

The challenge to Frankfurt is that these banks can be located anywhere, as Deutsche Bank's own "Bank 24" has already demonstrated. The electronic bank is housed in Bonn.

Do Bank 24 and its ilk represent the leading edge of

a decentralizing of Germany's banking community and the start of a diaspora out of Frankfurt?

"Quite the opposite," says Hartmut Schwesinger, managing director of Frankfurt's Business and Economic Development Corporation.

"The founding of these banks and the setting up of electronic banking services in general have actually fostered and expedited Frankfurt's development into Continental Europe's center of electronic banking operations. Today, a bank can be located anywhere there are cables and satellite up-links tying it into nationwide data processing and transaction clearing networks. Because many of these networks have been or are being planned, developed, monitored and maintained in Frankfurt, the city's predominance has never been more secure."

**Critical connections**

The rise of electronic banking also has a spillover effect. "This predominance has fostered a further influx of computer hardware and software companies and specialists into Frankfurt," Mr. Schwesinger says. "It's much the same situation on the international scene, in which there's been a profusion of financial centers conducting a mushrooming volume of business among them. By developing and providing state-of-the-art communications and data-processing links and services, Frankfurt has become

a major hub for this international business."

To provide these international and regional links, Frankfurt's financial community has invested heavily in intra-city communication links. A prominent example is MFS Communications GmbH's "communication highway." Some 10 kilometers (6 miles) of this fiber-optic ATM network, Germany's first, has been installed under Frankfurt's streets and buildings over the past two years.

For the last five months, MFS, a German subsidiary of the American communications network operator, has been providing ultrarapid, ultra-secure speech, picture and data transmission services to 53 financial sector customers, making Frankfurt the first city in Germany to have an operational communications highway. MFS plans to add another

operator being set up by Deutsche Bahn AG, the country's rail authority, also with headquarters in Frankfurt.

A number of other operators pioneering private telecommunications networks and services are located in the Rhine-Main area, including Worldcom in Frankfurt and CNI in Eschborn.

Not all of the area's telecommunications companies are new or new to the Frankfurt area. Deutsche Telekom, one of the world's four largest telecommunications companies, has centered a number of its most important operations in the region, including its relay center for international calls (in Frankfurt), one of its major satellite up-link facilities (in the central Hessian town of Usingen), its Research and Technology Center (Darmstadt), and its own polytechnic school (Dieburg). ■

## Rowenta HIGH-QUALITY DESIGN AND INNOVATION

Located just to the east of Frankfurt, Offenbach is a center of Europe's leather-processing industry. The city is also known for being home to Rowenta, whose name is a synonym throughout the world for high-quality, innovative electrical appliances. One hundred and eleven years old, the company is in the midst of a period of rapid international expansion.

"Up until a few years ago, our activities were largely concentrated in Europe," comments Hartmut Wachs, chairman of Rowenta's board of management. "Since then, our ongoing expansion of business has made our name and our products well-known in the U.S., the CIS and Asia. By entering into license production agreements, we have also become number one in the markets in Turkey, Slovenia, South Africa and Syria."

Guided by Mr. Wachs, the company's rapid expansion has made it the world's number one manufacturer of irons and among the leading suppliers of toasters, coffee machines and oral hygiene appliances.

In 1994, sales of Rowenta-brand products amounted to 900 million DM, of which 400 million DM accrued from the company's production facilities in Offenbach and Erbach, both located in Germany's state of Hesse. Rowenta also maintains production facilities in Vernon, France; Toluca, Mexico; and in Turkey.

Why is Rowenta still conducting a major part of its manufacturing activities in Germany, known for having high business operating costs?

Mr. Wachs lists several good reasons: "Our policy is to situate our production activities close to our markets. And Germany is, of course, still a major market of ours. The high costs prevailing in Germany are counterbalanced by the country's high quality of work. Assuming that a company structures its production operations in a lean and cost-efficient way and achieves a certain degree of automatization, it's entirely possible to compete on world markets from a base in Hesse. One example of how this can be done is provided by our factory in Erbach, Hesse. It's only two years old, having been put into operation in 1993. It manufactures irons and is the most modern of its kind in Europe."

In the long-term perspective, which of Rowenta's operations are innately bound up with the company's base in Germany?

"Our company's success has ensued from our ability to engender a continuous flow of product innovations," points out Mr. Wachs. "Our products have extremely short 'lifetimes.' Each year, we launch 10 to 15 new appliances on world markets. Our ability to innovate derives from the quality of our expertise in R&D and in design and international marketing. Forming the very heart of our company's culture of operations, these activities are based in Offenbach. It's very difficult to imagine relocating them elsewhere."

A glance at a Rowenta product corroborates Mr. Wachs' statements. All of the company's products evince an elegance of design. They are also easy to understand and easy to use. During the tenure of Franz Albin Stützer, the company's designer-in-chief, Rowenta's products have received well over 100 design prizes and citations. The company's products are on display in New York's Museum of Modern Art. In fashioning its products, Mr. Stützer's department also works closely with the Institute for Design, located in nearby Darmstadt.

Also worthy of commendation is the company's ability to stay at the forefront of its markets and technologies. The iron has been continually improved over the last few decades. Rowenta has been responsible for all of these advances, which have included the creation of the steam spray attachment and the first ironing surface made out of stainless steel.

Its ability to pioneer new products and technologies makes Rowenta a worthy representative of Hesse's highly innovative manufacturing sector.

*For further information:*

Rowenta-Werke GmbH  
Walstr. 202-256 - D-63071 Offenbach  
Tel.: (+49-69) 8504 0 - Fax: (+49-69) 8504 4 66

## A HOTBED OF HIGH-TECH ACTIVITY

*Continued from page 19*

Pasteur and Robert Koch.

"The microscope was the first and foremost tool of biomedicines and biotechnologies in general," points out Ms. Jacoby.

It still is today. Such new models as the Leica DM IL have equipped microbiologists with a powerful tool in the deciphering of the mechanisms of cells and other living tissue.

**Life and death mysteries**

While microbiologists use their Leicas to probe the mysteries of life and disease, the police are employing advanced company products to solve crimes. Much of the most spectacular evidence – such as minimal traces of clothing or tire rubber – turning up in today's courtrooms has been detected, quantified and analyzed using a Leica DM C microscope.

The world's booming microelectronics industry uses Leica's microscope-based monitoring and measuring systems to design, develop, manufacture and evaluate chips. "The microelectronic world's ongoing move into

submicron-based, multi-megabyte chips is obviously predicated upon the increasing use of such systems," says Ms. Jacoby.

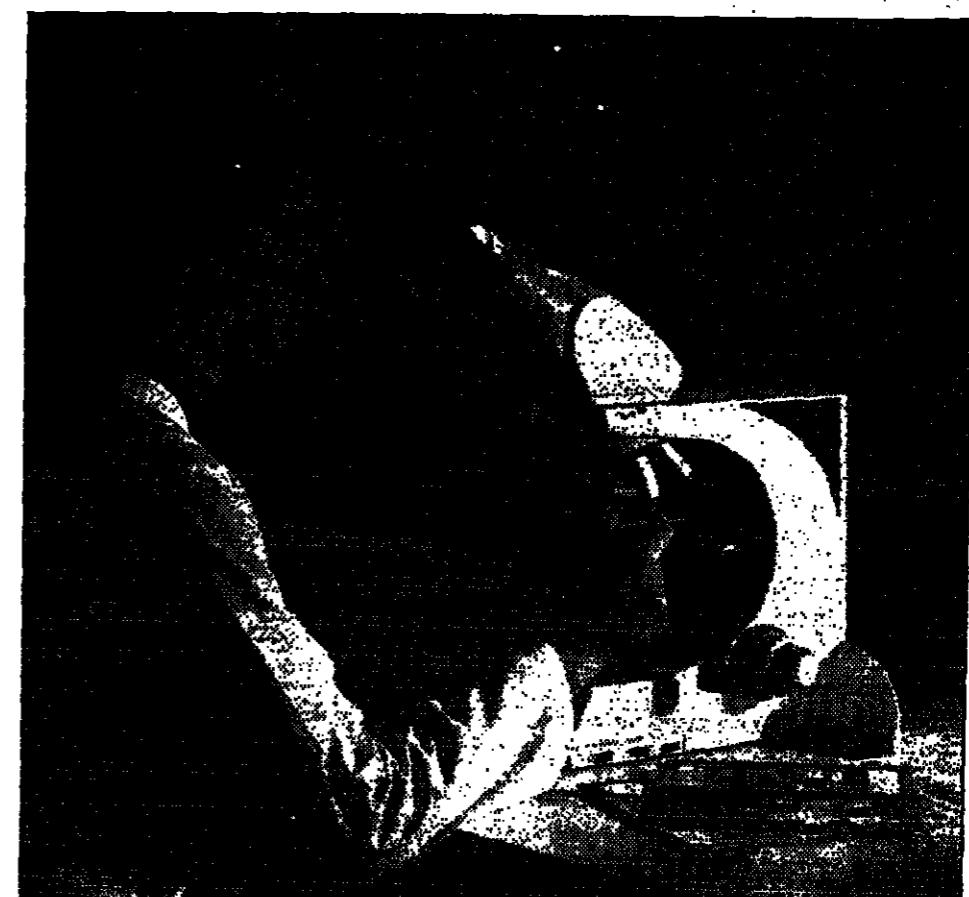
Leica's worldwide working relationships with researchers, suppliers and customers notwithstanding, the source of many of these innovations has been local.

"Innovations ensue when a critical mass of researchers, developers and marketers is on hand," points out Ms. Jacoby. To assemble and maintain that critical mass, Leica and 29 other local companies and agencies joined in founding the Wetzlar-based Institute for Microstructure Technologies and Optoelectronics (IMO) in 1989.

IMO's areas of activity are the developing of microsystems, ASIC (applied specification integrated circuits), microelectronics-based sensors and other advanced technologies. Much of its work is commissioned and applied by its founding companies.

**Academic ties**

Leica also maintains close technological and research ties with Giessen's universi-



*The microscope: 400 years old and still advancing by leaps and bounds, thanks to Hessian industry.*

ty and Max Planck Institute, both centers of Germany's research into biotechnologies and environmental protection, and to the nearby University of Marburg, source of a wide range of ad-

vances in molecular sciences and microbiology.

Central Hesse's agglomeration of public and private sector-driven innovation has some highly respectable statistics. Forty-four percent of

the state's researchers work in the region, giving it one of Germany's best figures for researchers per capita.

The only thing the region lacks, in fact, is a catchy nickname. ■

*Wir helfen Ihnen zu gehen, wir faxen Ihnen mit Ihren Postwendungen.*

## A NEW VIVACITY IN THE NORTH

*The future looks promising for north Hesse.*

The Cold War turned Hesse's northern two-thirds into an economic backwater. A concerted program of public- and private-sector investment gave the region a new business base. Then came the fall of the Wall and major new infrastructural projects.

Kassel-Wilhelmshöhe is the most glorious name in north Hesse's past. It is also the name of a promising development in north Hesse's present.

Built by the rulers of Hesse-Kassel during the 18th century, the hillside sweep of gardens, waterfalls and palaces on Kassel's Wilhelmshöhe heights rivals Darmstadt's Mathildenhöhe artists' colony, Frankfurt's skyscrapers, Wiesbaden's casino, the Rhine at Rüdesheim and Michelstadt's half-timbered *Rathaus* for the honor of being Hesse's most widely photographed subject.

Its grounds are only one reason Wilhelmshöhe is one of Germany's leading tourist attractions, visited by well over a million people a year. Now being renovated, Wilhelmshöhe's museums contain masterpieces by Rembrandt, Hals and Rubens, plus celebrated sculptures from the Greek and Roman eras. Wilhelmshöhe's palaces and adjoining buildings are also home to a major spa and casino.

**Historic crossroads**  
Wilhelmshöhe's splendor gives eloquent testimony to north Hesse's former prosperity, derived from the region's location at Germany's geographic center, astride Central Europe's trade routes and traffic arteries.

The advent of the Cold War throttled East-West trade, turned north Hesse into the "eastern end of Western Europe," and made its vaunted prosperity into a thing of the past.

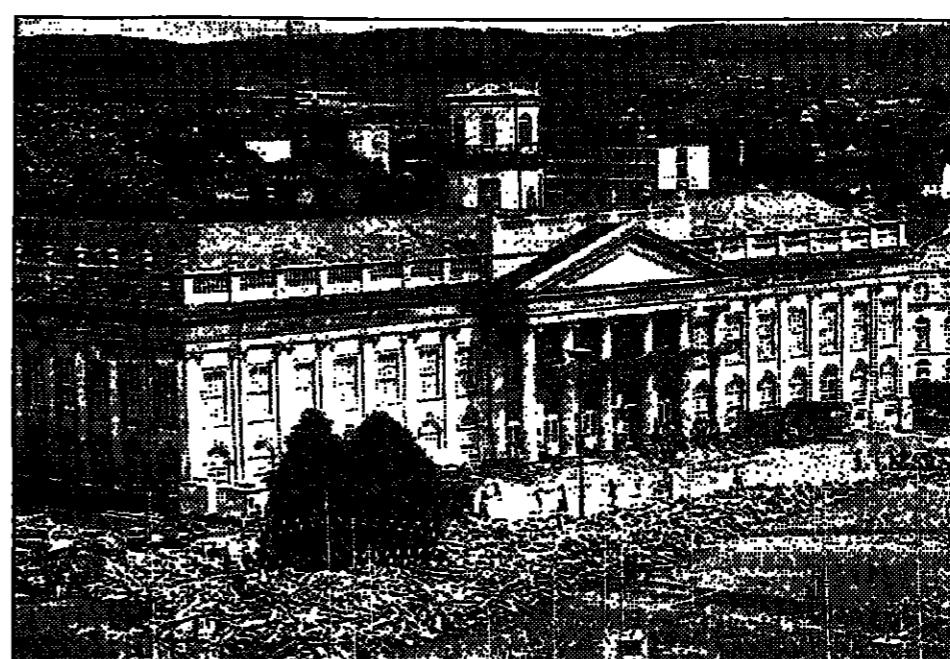
Throughout most of the postwar era, north Hesse had a rate of unemployment one or two percentage points above and a rate of GDP growth one or two percentage points below that of south Hesse.

"Using south Hesse as a yardstick to measure its northern counterpart's performance is, of course, a bit unfair," says Hans Eichel, who was Kassel's mayor before becoming Hesse's prime minister. "South Hesse has been Europe's most successful region over the last 40 years. Compared with other adjoining regions, north Hesse's performance has actually been quite a bit above average."

This has been thanks to a concerted series of public-sector initiatives as well as private-sector endeavor. The state and local governments invested tens of billions of marks in technology and research centers, polytechnic schools, business parks and transport and communication infrastructure. This investment, plus the very low wages and property prices prevailing in the region, convinced VW, Hoechst, Thyssen, ABB, Daimler-Benz and other major companies to set up or expand facilities in the region.

A large number of suppliers, mostly small-scale and specialized, grew up in their vicinity.

A range of other *mittelsündig* (middle-sized) companies established themselves on world markets, their ranks includ-



Kassel is north Hesse's cultural as well as economic center. Left, the palace park at Wilhelmshöhe. Right, the Friedericianum, home of the "documenta" exhibition.

ing B. Braun Melsungen, Hübner, Viessmann and other "local champions."

The crowning moment in this wave of investment and development came in May 1991, when the Kassel-Wilhelmshöhe train station was inaugurated, the first built especially for Germany's brand-new ICE (InterCityExpress) train network. Even before this, as the station was being constructed, an unforeseen development had taken place, one of

major benefit to north Hesse.

### Dramatic impact

"The ICE and our other transport links would have had a noticeable impact," says Mr. Eichel. "Coupled with the ending of the Cold War, this impact has been little short of revolutionary."

Initial manifestations were spectacular: long columns of Trabics and Warburgs (East Germany's major automobile makes) thronging eastern Hesse's highways; East German shoppers crowding the pedestrian zones of Eschwege, Fulda, Kassel and a dozen other cities; Germans of all persuasions flocking to ride on the new ICE.

Although less striking, the long-term manifestations have been more important. As Europe's fastest-growing region, Eastern Germany has an avid appetite for technical goods and services, something that the neighboring areas in Hesse are only too happy to supply via the newly opened or extended transport links.

"North Hesse's new catchment area is by no means confined to Germany," says Mr. Eichel. "Rather, as the new start-ups and facilities show, the region has recovered its former, pan-European scope of operation."

What he is referring to is a series of major logistic and transport companies, including Schenker and German Parcel, that have set up freight forwarding hubs in the Kassel area in the post-unification era. Soon to come is a major railroad transloading center, being developed by a public-private partnership.

### 100 days of art

The Wilhelmshöhe train station and the logistics facilities are by no means the only reasons why north Hesse has established solid credentials for modernity. Nor are transport and

industry the only rejuvenated items in the region's mix of activities. For four decades, art tourists, art journalists, art historians and artists have descended on Kassel every five years to attend "documenta," the world's largest exhibition of modern art. For Kassel and its environs, one of the nicest things about documenta is its length. The exhibition runs 100 days, giving 620,000 culture vultures (the 1992 figure) the opportunity to patronize the city's restaurants and galleries and to make side trips to visit Kleinsassen, 80 kilometers (50 miles) to the south of Kassel, and other well-known idyllic artists' colonies in Hesse.

"I don't see Kleinsassen as a minor-league documenta, but rather as its full-fledged counterpart," says Faxe M. Müller, a well-regarded local sculptor, who has exhibited in the colony. "Documenta's focus is broad — necessarily so, as its purpose is to make the definite statement of the art world's zeitgeist. Kleinsassen's focus, on the other hand, is much more precise. It has the luxury of going into more depth, of further developing its long-standing relationships with artists and art movements in the Balkans and other sections of the world."

## 50 Years Of Unity

by far-sighted political reformers: "The creating of an important unity in the heart of Germany," as the Frankfurter Allgemeine Zeitung put it in a recent review of Hesse's history. This unity would remove the "feudal barriers" impeding the development of transport arteries and trading routes, and thus promote the common good.

Was this important and obviously successful unification something of a precursor for those to follow?

"There are a number of interesting similarities among the unifying

of Hesse in 1945 and of Germany and of Europe in the '90s," says Hans Eichel, Hesse's prime minister. "All three have involved the building of links among regions with different political cultures, histories and standards of living."

On Sept. 15, 1995, Hesse began a yearlong, statewide celebra-

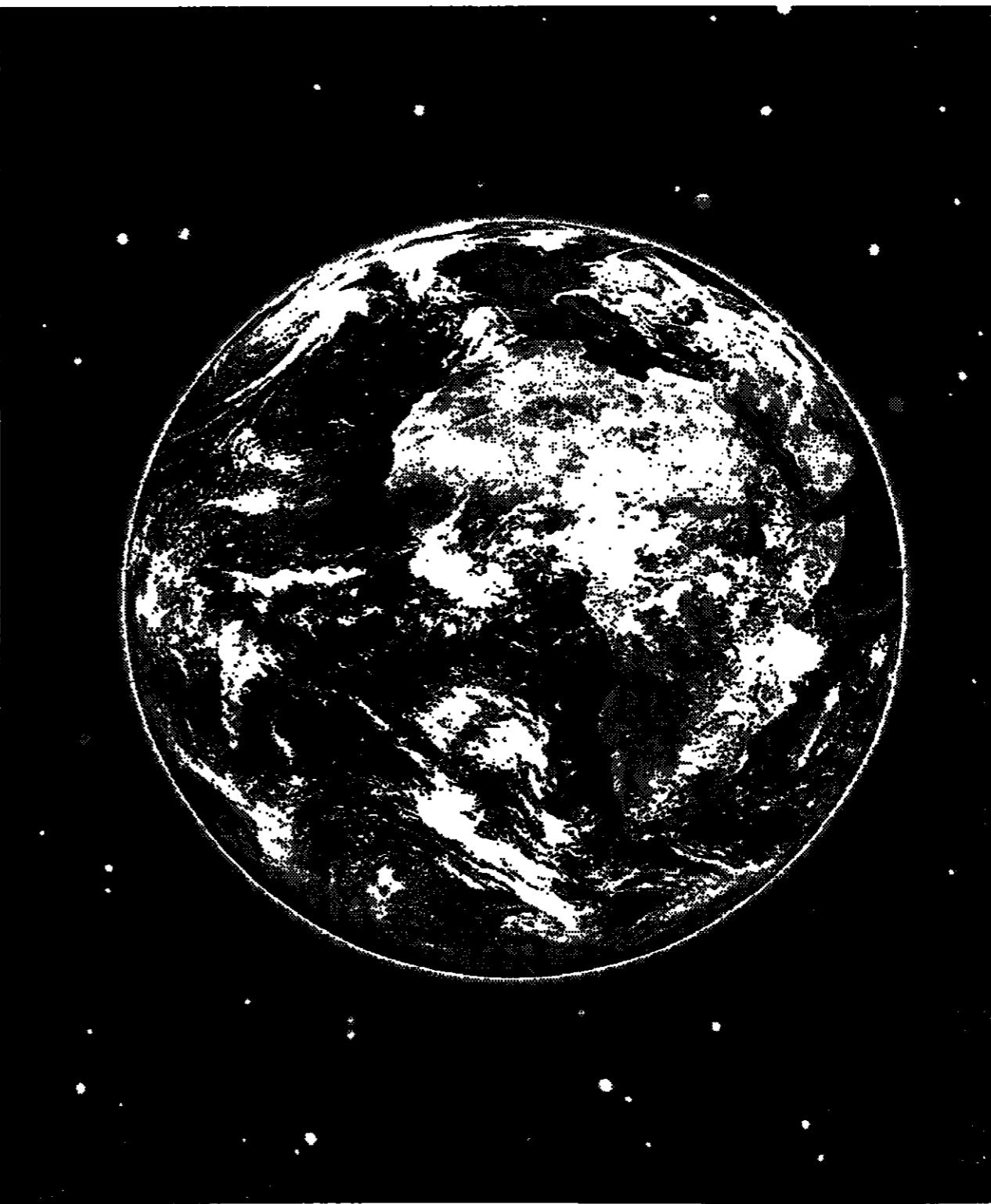
tions of a half century of statehood and achievements. This celebration encompasses several hundred festivals, podium discussions, historical and art exhibitions, commemorative services and many other kinds of events.

A mammoth review of Hesse's first 50 years will be held in Gelnhausen June 28-July 7. Key moments in the state's history and the figures participating in them will be portrayed in music and drama, in cabaret sketches and in firsthand accounts.

A musical festival and Baroque

festivities will be held at the cloister of Corneberg July 7-14. Also celebrating major anniversaries during the year with culture and pageantry are Braufels (July 13-14), Kugelsburg (the entire month of July) and Malsfeld (July 14).

Hesse's year of celebration will conclude with a Grosses Volksfest in Kassel. This heady mix of circus, rides, refreshments and popular culture of all descriptions will be held on Nov. 30. A more restrained and formal windup to the year will be staged in Wiesbaden's Staatstheater Dec. 1.



Hier haben Sie den Überblick: Die 15 weltgrößten Messen Ihrer Branche finden in Frankfurt im Zentrum Europas statt, das Sie von allen Ecken und Enden der Welt mit Flugzeug, Bahn und Auto schnell und bequem erreichen können. Wenn Sie mehr über die insgesamt ca. 55 Veranstaltungen der Messe Frankfurt wissen wollen: Faxen Sie uns an.

### Achemia

Internationales Treffen für Chemische Technik und Biotechnologie.

06. - 14. Juni 1996

### Ambiente

Internationale Frankfurter Messe Tischkultur und Küchenmöbel- und Ladekonzepte/Geschenk-Ideen.

24. - 26. Februar 1996

### Autos & Schenka

Teufelpunkt der internationalen Automobilwirtschaft.

10. - 15. September 1996

### Frankfurter Buchmesse

02. - 07. Oktober 1996

### Fur & Fashion

Die internationale Leinmesse für Pelz und Leder, Mix und Mode.

28. - 31. März 1996

### Heimtextil

Internationale Fachmesse Floor-Wall-Window Decoration & Furniture Fabrics/Bed-Bath-Table & Kitchen Linen.

10. - 13. Januar 1996

### IAA

Internationale Automobil-Ausstellung, Personenkraftwagen/Motorräder.

11. - 21. September 1996

### IFFA

Internationale Fleischwirtschaftliche Fachmesse, Mai 1996

Wir helfen Ihnen gerne, den Dingen auf den Grund zu gehen. Wenn Sie uns unter ein Fax mit Ihrer Anschrift schicken, bekommen Sie von uns postwendend die komplette Übersicht unserer Veranstaltungen 1995/96.

Messe  
Frankfurt

### Fly Frankfurt and the world is yours!

To stay on the ball in today's business world, you've got to be fast, clever and have a global focus. That's why you'll go for Frankfurt Airport. We're the No. 1 favorite of business travelers in Europe. Because we offer more daily connections to all the world than any other European hub. This pays off in substantially faster plane-to-plane transfers, for instance. And if they're still not fast enough for you, no problem. With typical German thoroughness, we've

built our airport into a first-class service center for executives on the go. No wonder more and more of the best and brightest are doing business in Hessen, Germany and Europe right at Frankfurt Airport.

Flughafen

Service starts on the ground

## DISTILLING INDUSTRIAL FORCE

*The region's long-established companies are rebuilding themselves for speed.*

Ninety-five percent of Hesse's 6,500 manufacturing companies are small or medium-sized (with 500 employees or less), many of them started up by graduates of the state's six universities and seven polytechnic schools, and each serving one of a thousand specialized niches. A number of these "mini-manufacturers" are based in the state's four technology centers.

The mini-manufacturers' ubiquitousness, broad range of activities and excellent future prospects notwithstanding, the vast bulk of the state's 88 billion Deutsche marks (\$62 billion) in annual industrial production and 47 billion DM in exports are accounted for by multibillion-mark companies active

in four traditional, non-niche sectors: chemicals, cars, electronic equipment and systems, and industrial machinery and systems.

Hoechst, Opel, Volkswagen, Siemens, Degussa, Robert Bosch, MAN – the companies' names command recognition worldwide. Nor is there anything small-scale about their facilities in Hesse. They are among the largest in Germany and, in some cases, the world. Nearly all of these ultra-large facilities have been in continuous operation for more than 40 years, with several now well into their second century.

### Continuity

This continuity says a lot about the companies' ability



Opel's new, flexible system of manufacturing in production cells.

to adapt and upgrade their facilities, says David J. Herman, chairman of the board of management at Adam Opel AG, GM's German subsidiary. "No one has ever made money using out-of-date equipment to manufacture out-of-date products," he points out. "The implications of this truism are obvious. In our case, it means that our facility in Rüsselsheim has been successfully revamped and reoutfitted several times during its nearly 100-year history of manufacturing automobiles.

That's been no small feat, in view of Rüsselsheim's size. Located 25 kilometers (15 miles) to the southwest of downtown Frankfurt, Opel's facility in Rüsselsheim is huge, occupying 1.2 million square meters – making it GM's largest single site – with 25,000 employees engaged in producing 1,200 automobiles a day.

"The increasing pace of technological and economic change over the past two decades has shortened the intervals between these revampings and expanded their scopes," notes Mr. Herman.

Throughout the 1980s and early '90s, Opel expanded and upgraded its facilities in Rüsselsheim. In 1982, it installed the first automobile-painting facility to use environmentally compatible water-based enamels. Four years later, a fully automa-

tized production line was put into operation.

**Overhaul**

"By the late '80s, it had become apparent that something more than individual improvements was required at Rüsselsheim, that a top-to-bottom re-engineering of this huge and unwieldy facility was required if it was to stay viable – a re-engineering entailing everything from redesigning its basic floor plan to rerouting its flows of materials," Mr. Herman says.

The result was a 700 million DM program launched in 1993 and now well over half completed. By the time the program is concluded in 1997, Rüsselsheim will be a much leaner, much more ef-

ficient facility. Being rendered extraneous by the program are one-third of the site's area, more than half of the previous work stations, two-thirds of the distance traveled by a Vectra and Omega while being assembled and about half the time required to build and paint a chassis.

This is being accomplished by relocating the company's administrative departments to a new building and by reorganizing the topography of production. Instead of maintaining discrete production lines for such individual parts as doors and hoods and then transporting them across the factory to the main assembly line, these components are manufactured in "production

cells" directly adjoining the line.

In carrying out this massive program, Opel followed an in-house role model: its billion-mark facility in Eisenach, Thuringia. This facility has set new standards for productivity and output per employee during its more

years of operation. "We believe that the re-engineering program will result in savings of time and costs that will boost Rüsselsheim to Eisenach's levels of productivity," says Mr. Herman.

As large as it is, the re-engineering program is dwarfed by the 1.8 billion DM Opel is spending for the production of the new generation of Vectras at Rüsselsheim. This is only one of several massive investments being made by the company in Germany. Others include a 350 million DM upgrading of the chassis and engine manufacturing facilities in Bochum and 500 million DM for the building of a new factory located in Kaiserslautern to produce diesel engines. All told, says Mr. Herman, it adds up to a 6 billion DM investment in Germany.

**Flextime**

A key part of Opel's re-engineering program involves neither capital goods nor capital expenditure. As of Sept. 1, Opel instituted the "flexible working week" in Rüsselsheim. This innovation bodes well for bringing a new flexibility to Germany's constrictive labor-market practices.

The flexible week allows 11,100 employees at Rüsselsheim to work anywhere from 30 to 38.75 hours a week, depending on the prevailing level of demand for company products. Wages are paid out in fixed monthly rates, irrespective of the actual amount of work done.

The hours worked by an employee are "paid into" an account, which has to reach a preset number by the end of the year. This commonsense approach allows management to avoid costly overtime work in autumn, when demand is at its peak, as well as costly idleness in slack times.

What will happen to the 400,000 square meters of space saved through the re-engineering?

"It will be turned into residential and commercial space, something greatly appreciated in Rüsselsheim, where both are at a premium," says Mr. Herman. "There's also a proposal to settle part of the local mechanical engineering polytechnic, with which we work very closely, there as well. There's a strong interest in living in and using our buildings. After all, many date back to the turn of the century and thus have a very historic charm." ■



On-the-job training at Opel's Vectra and Omega production lines.

## WELL-FUNCTIONING JUNCTION FOR AIR, RAIL AND ROAD

*As Hesse has developed its transport grids, it has also built links among them.*

The conventional wisdom of the early 1990s spoke clearly and unequivocally. Finished was the age of the super-hubs, doomed by their increasing levels of congestion. The time of minihubs was at hand, because they allowed point-to-point, trouble-free travel for both passengers and goods.

Frankfurt has proved the conventional wisdom dead wrong. During 1991-94, Frankfurt Airport recorded a total 25 percent growth in its annual through-passenger totals. In 1994, more than 35 million people used the airport. This rate of growth has allowed Frankfurt to keep pace with that of the European air industry as a whole.

No small feat, considering that Frankfurt is already Europe's second-largest passenger airport, accounting for more than one-third of Germany's total air-passenger traffic. Frankfurt is also the world's second-largest airport for international travel.

**Freight heavyweight**

Frankfurt's continuing predominance is even more marked in the air-freight sector. The number-one cargo airport in Europe, Frankfurt handled 1.28 million metric tons of cargo in 1994, accounting for more than 72 percent of all air freight

processed at Germany's airports, according to Flughafen Frankfurt Main AG (FAG), the publicly owned corporation that owns and operates Frankfurt airport.

This growth shows no sign of slackening. Passenger and air-freight traffic are currently running 9 percent and 5 percent respectively above last year's figures.

This rate makes FAG's official forecasts – by 2010, Frankfurt Airport will be processing 52.6 million passengers and 2.7 million tons of freight a year – look extremely conservative.

Why did the conventional wisdom err? Partly because it failed to understand the forces governing the air-travel business: the large and still-growing number of code-sharing and other cooperation agreements concluded among the airlines over the past five years.

"This has further enhanced the attractiveness of Frankfurt," says Wilhelm Bender, chairman of FAG's board. "These agreements are built around pairings of links, and that's something Frankfurt has a wide range of. Some 110 scheduled carriers link Frankfurt with more than 240 destinations.

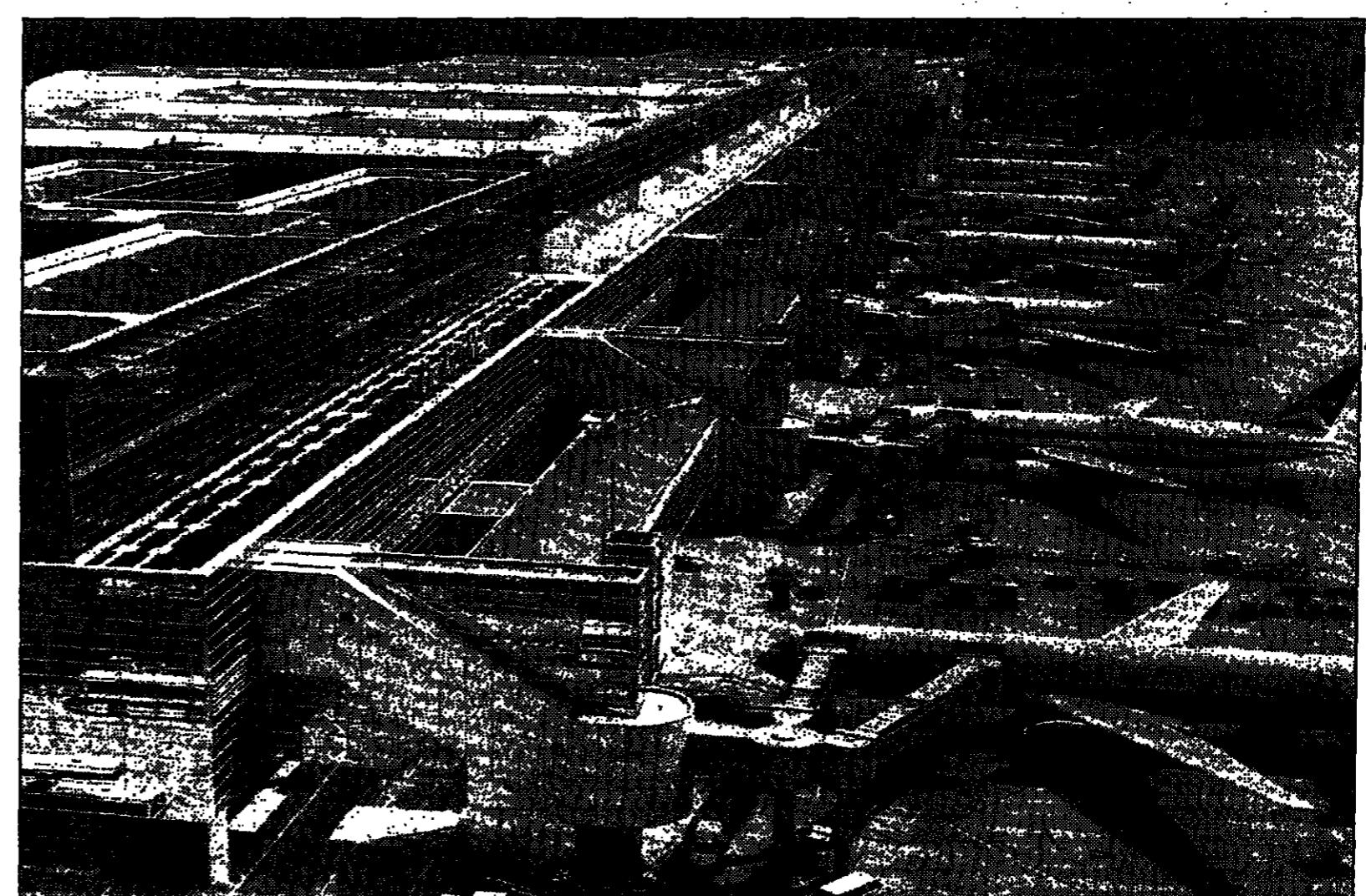
Equally important, we're not only a very large hub, we're also a 'precision hub.' Our

state-of-the-art baggage-handling system and other features also allow us to guarantee 45-minute transfer times between flights, and this level of performance is what makes these pairings work – and makes them attractive to passengers. The airlines appreciate that, and flock to use Frankfurt."

**Anticipation**

FAG had anticipated this surge in demand and launched the largest building and revamping program in its history to accommodate and serve it. FAG's 7 billion Deutsche mark (\$5 million) expenditure included its Terminal 2, opened in October 1994, with a capacity to handle up to 12 million passengers a year; a major expansion of Terminal One; an intra-airport Sky Line "people mover"; and the "filling in" of the space between the terminals, creating a mega-terminal.

This 7 billion DM, while generous, does not include the 100 million DM Lufthansa has allocated to refurbish its own "terminal-within-a-terminal" at Terminal One, or the expansion of the Lufthansa Cargo Center, or the construction of a new freight-processing center called "Cargo City South," extending over 80 hectares (about 200 acres). When



completed, the center will double the airport's freight-handling capacities.

An ongoing source of ex-

pense is the airport's upgrading of its environmental protection systems and measures.

Perhaps the most impor-

tant reason for its enduring success, however – as

well as its most important contribution to protecting the environment – is not found in the airport itself, but underneath it.

### By plane, by train

Frankfurt Airport is linked

to Germany's autobahn grid – nothing very remarkable, as nearly all the world's airports have a superhighway link.

In the basement of

Frankfurt's Terminal 1, however, is a full-fledged train station, served by 226 IC express, regular service and S-Bahn (regional rail transit) trains a day.

This train-plane link is used by 7 million passengers a year. For many of them, the train ride lasts exactly 11 minutes, the time it takes to get to or from the airport to Frankfurt's main train station, the busiest in Europe and the Continent's main point of rail-rail transfers.

In addition to creating these air-autobahn, air-rail and rail-rail connections, Hesse has also developed

Frankfurt's harbor, number two among Germany's inland ports, into a high-capacity facility linking Europe's busiest inland waterway – the Rhine-Main-Danube – with Germany's rail, road and air grids.

Now widely copied by the

Hesse's intermodal pairings stem from a policy established four decades ago. "Because state planners realized that no single mode of transport, no matter how large or efficient, would be able to bear the transport load alone, they decided to develop the junctions between them while building the modes themselves," says Lothar Klemm, Hesse's minister of economic affairs.

### It gets better

Coming next from Hesse is a major updating of the air-rail connection. By 2001, millions of passengers will be arriving at the airport via a new ICE (InterCityExpress) line running to the east of the Rhine. Cutting travel times to and from Cologne and other metropolises in half, the line will connect with the Sky Line at the airport "travel port."

This station-cum-check-in counter is also now under construction.

Forming part of Europe's emerging high-speed rail grid, the ICE line will also be able to accommodate France's TGV (high-speed) trains.

Cargo City South has gone the passenger terminals one better. A hand-me-down from the area's previous tenants, the U.S. armed forces,



Passengers disembarking at Frankfurt Airport can reach the central train station via an 11-minute direct rail link.

its railhead is already ready for operation.

As Mr. Klemm points out, not all of Hesse's transport team-ups are commercial in nature.

"The rail-bike or the rail-hike ones are probably our



## OUT OF ONE, MANY. FRANKFURT'S FECUND TRADE FAIR

Messe Frankfurt is facing a delightful problem – it will soon have to spin off its spin-offs. The reason: strong, sustained growth.

A case in point is the trade fair authority's consumer-goods events. In 1991, Messe Frankfurt's Spring Fair, an omnibus display of consumer goods, had reached the limits of its capacity and could no longer accommodate increased demand for exhibition space. The authority's solution was to spin the fair off into two events: Premiere, which features paper, perfume and gift articles; and Ambiente, showcase for tableware, kitchen items and illumination.

The problem is that each of these successor fairs now has exhibitor totals only marginally smaller than the original Spring Fair's," reports Mike Seidensticker, spokesman for Messe Frankfurt.

With problems like these, can Messe Frankfurt complain? "We're probably going to have to spin off Premiere and Ambiente into several, specialized events some time in the foreseeable future," says Mr. Seidensticker.

Now widely copied by the

world's infrastructure plan-

## MONUMENTS, MUSEUMS AND FESTIVALS

*Beauty and pleasure as well as industry are very much in evidence in Hesse.*

**H**essians have always taken design and designers seriously. So seriously that one of them, the Grand Duke Ernst Ludwig of Hesse-Darmstadt, commissioned his favorite architects and artists to plan and build the perfectly designed city. Their brief included everything from the city's buildings and street lamps to its cutlery and dish towels.

Ernst Ludwig provided them with a choice site for their work: next to his palace, on Darmstadt's Mathildenhöhe heights. The designers he selected shared his espousal of the

*Jugendstil*, the German version of Art Nouveau, a heady mix of Oriental and floral forms with a Baroque-like love of ornament and detail.

**Mecca of design**  
The result: "the city where the aesthetic of art and architecture hold unimpeded sway," in the words of *Merian* magazine, was inaugurated in 1899. Ever since, the Mathildenhöhe has been a place of pilgrimage for would-be and practicing designers the world over, who join hundreds of thousands of tourists every year in marveling at the grace and beauty of the community's structures and the items on display at its local museum.

Many of these pilgrims arrive on foot, coming from Darmstadt's School of Design, one of the leading institutions in its field. Like Hesse's Design Center and the Institute of New

Technical Forms, the school is also located on the Mathildenhöhe.

### Major museums

For the conscientious culture vulture, Hesse poses quite a challenge. The state has 150 major museums and 50 important festivals — some, like Frankfurt's Städels museum and Darmstadt's Festival of New Music, of world renown.

Two factors cut down on the effort involved in covering the state's visual and performing art scene. The museums are in clusters and often serve as the venues for the festivals.

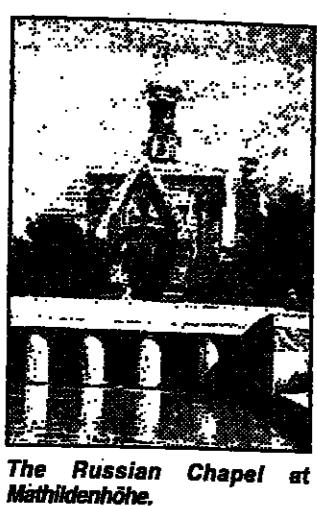
Frankfurt's Museumsufer, located on the south bank of the Main river, is a row of five major museums that is home to one of Europe's great outbursts of indoor culture and outdoor enjoyment each August. Fireworks, dragon-boat races, rock concerts and theater are just some of its staples. The Museumsuferfest is a high point of the city's year.

### Al fresco entertainment

On a clement evening, a goodly portion of the city's dwellers throng the festival's stages, exhibition halls and circus tents, or just take in the colorful hubbub. For those wishing to plan their trip to Hesse around this event, 1996's installment will be held on Aug. 23-25, 1996.

Other "don't miss" festivals include the one in Bad Hersfeld. Held annually, from mid-June to mid-August, this festival offers everything from opera to jazz in a stupendously romantic setting — the ruins of a Norman church complex, the largest of its kind in Europe.

Life can be exceedingly pleasant in the Rheingau, Hesse's Rhine-side vineyard district. Throughout the summer, the Rheingau Music Festival offers a wonderful way to get to know the district. A number of its events are held in the Rheingau's castles and churches — or outdoors, in their parks and gardens. ■



The Russian Chapel at Mathildenhöhe.

tures and the items on display at its local museum.

Many of these pilgrims arrive on foot, coming from Darmstadt's School of Design, one of the leading institutions in its field. Like Hesse's Design Center and the Institute of New

## WAYFARERS IN FAIRY-TALE FORESTS

*Hesse's forests are still known for their uses of enchantment.*

Hänsel and Gretel. Little Red Riding Hood. Sleeping Beauty. All of these well-known fairy tales share a common setting and source — the primeval depths of the Spessart, Habichtswald, Rhön and other forests in Hesse. In the early 19th century, Jacob and Wilhelm Grimm explored the forests, garnering the local dwellers' folktales and lore in the process.

Today, rather than felling trees and gathering herbs,

the forest dwellers may operate computers and production equipment is nearby, Kassel, Giessen and Gelnhausen. Although interspersed with an ever-growing number of Waldhotels and Forstrestaurants, Hesse's forests still retain much of their primeval quality.

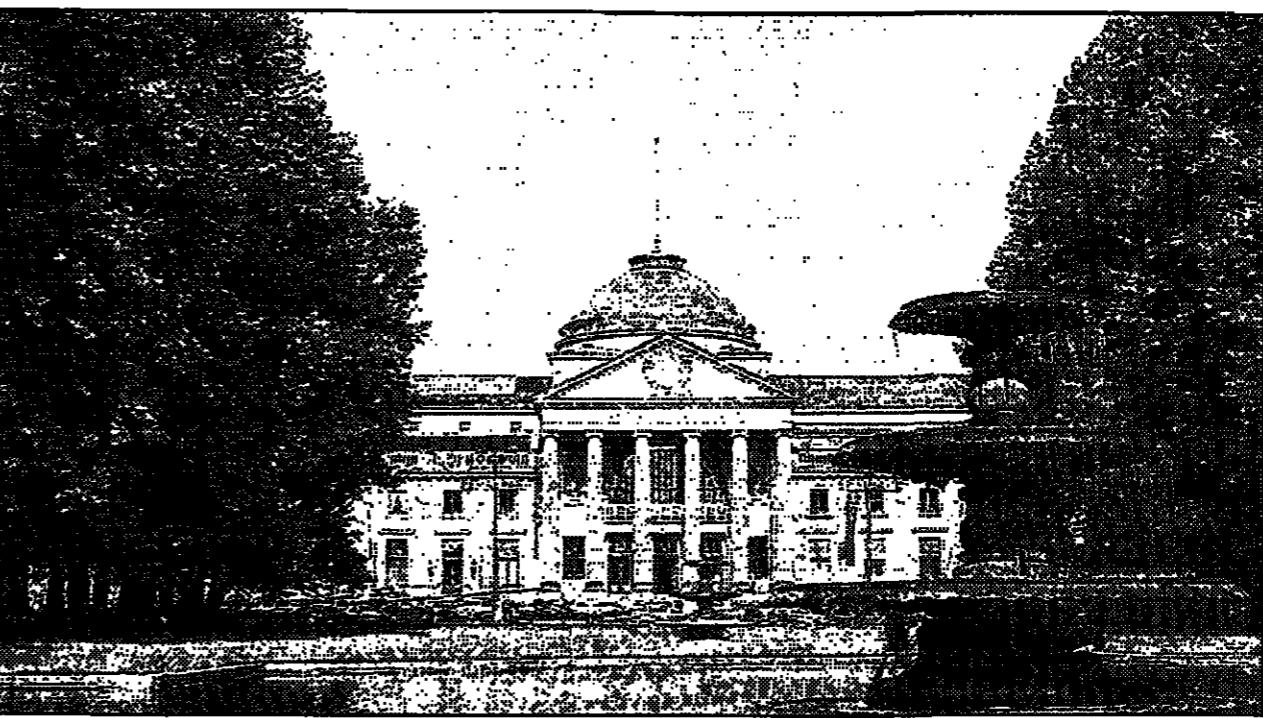
As well as nearly all of their collective size. Today, 41 percent of the state is covered with forest: "Not a whit less than 50 years ago,

despite all of the economic growth and industrialization taking place in the state during the time," says Andreas Klopp, spokesman for the Hessian Tourist Office, adding: "That's the best figure among Germany's states."

Those who wish to retrace the Grimm Brothers' footsteps and experience their source of inspiration firsthand can head down the "Fairy-Tale Route," whose 352 kilometers (218

miles) in Hesse take in Hanau, where the Brothers Grimm were born; Steinau, where they spent their early youth; and Kassel, where they put the tales into written form, plus all of the forests interspersed among these communities.

For those who take their childhoods and fairy tales seriously, Kassel's Grimm Museum holds a great treasure: the brothers' original notes, manuscripts and drawings.



Wiesbaden: renowned since Roman times for its healthy waters and pleasure domes.

## THE RHINE: WATER, WINE AND WEALTH

*In Hesse, this storied river winds along vineyards, spas and half-timbered villages.*

**T**he Rhine takes 70 kilometers (43 miles) to make its way from greater Frankfurt to Hesse's western border. Many of Germany's best-loved vineyards, villages and spas are packed into this stretch of river.

Long before Hoechst manufactured its first aniline dyes or the Deutsche Bank issued its first loan, Hesse was wealthy. The sources of Hesse's pre-Industrial Age affluence were hot, sulfurous waters, palatable wines and sturdy young farmboys.

The farmboys were "leased" to the world's armies by such 18th-century magnates as King Wilhelm VIII of Hesse-Kassel. The proceeds from this "rent-a-mercenary" business laid the foundations for a great international fortune as well as a profitable local industry.

**The birth of banking**  
The man charged with investing the proceeds was a moneychanger and jeweler in Frankfurt's ghetto, Mayer Amschel, whose red sign — *Rotes Schild* in German — became his last name. Investment banking, Rothschild's new trade, was soon taken up by a many of Frankfurt's other merchants.

Hot water fueled Hesse's 29 spas, located ever since, a tradition culminating in Schloss Johannisberg, Kloster Eberbach, Schloss Vollrads and the region's other great vintages.

**Riesling route**  
Nowadays, several million people retrace the Romans' path each year, heading up the Rhine in cruise ships or making their way down Hesse's "Riesling Route," named after the region's pre-eminent vine. The tourists are there to marvel at a succession of stately vineyards and to meander through Rüdesheim, Oestrich-Winkel and the other meticulously restored, half-timbered villages lining the river's banks and hillside slopes.

This meandering often takes on impressive proportions — Rüdesheim alone welcomes 2.7 million visitors a year, ranking it as one of Germany's leading tourist attractions.

On an early summer's day, Oestrich-Winkel offers a special sight all its own: business suit-clad young people making their purposeful ways through the crowds of casually dressed tourists. These well-dressed young people attend the European Business School, Germany's renowned private university. ■

 Degussa on Solid Investments

Our exhaustive efforts  
yield healthier returns.

The days when smokestacks stood for industrial progress and economic growth are gone. Today, we can no longer afford these environmental liabilities. We must now consider the ecological side of the balance sheet as well as the financial.

Degussa is working to satisfy both. Our experience in precious metals and chemicals is not only benefiting the environment — but also Degussa, and our shareholders!

For instance, we are now supplying the international automobile industry

with exhaust gas catalytic converters from production facilities in 7 countries worldwide. Furthermore, as a result of our unrivaled expertise in recycling the precious metals they contain, these catalytic converters are converting product to profit a second time around.

This is why technology and environmentally friendly products such as these represent a major commitment for our R & D teams. And because the demand for environmental protection shows no sign of abating, it is a commitment that is paying off.

Which is good news for anyone looking for a healthy investment.

For Degussa, it all began with gold and silver. Today we shine in many more fields.

DOWN TO EARTH SOLUTIONS  
Degussa

## H E S S E

## SOME EMINENTLY HESIAN INSTITUTIONS

*The state's attributes include its cuisine, trade fairs and state parks as well as its national bodies.*

**T**he many guidebooks on Hesse cover its "Abelwai" culture in detail, pointing out where best to drink the apple wine and the most important customs associated with it. The consensus is that the apple-wine culture is most concentrated in "Dribbelsbach," a local, very colloquial description of the south Frankfurt neighborhood of Sachsenhausen, a prime point of congregation for the *Ebbelweisse*.

**schorwene**, the culture's aficionados. Also mentioned in all of the guidebooks is *Handkäs mit Musik*, a cheese-and-onion concoction doing little to help the state achieve a reputation for culinary excellence.

Strangely enough, the best proof of that excellence – the state's plethora of gourmet restaurants – is barely mentioned in the guidebooks, although they are among the most celebrat-

## Duck &amp; circumstance

ed in Germany and are prominently featured by Michelin and GaultMillau.

One of 12 "one star and above" communities in the state, the capital, Wiesbaden, has no less than a dozen such restaurants. The *Ente vom Lehel* is widely acknowledged to be the city's best, and one of the 10 best in Germany.

**Messe Frankfurt** is one of the world's largest trade authorities. Frankfurt, however, is by no means the only important trade-fair venue in Hesse. Reflecting the host city's major areas of business activities, Offenbach's textiles, clothing and leather goods events are the leaders in their fields. Wiesbaden is the site of an important congress on industrial measurement technologies and a major direct-marketing fair.

All told, there are 10 venues in Hesse staging events of regional, national and international importance. The smallest and probably prettiest of these venues is the northeastern Hessian town of Lauterbach, with a population of 10,000 and all the half-timbered houses.

Renaissance palaces, medieval fortresses and baroque churches one could wish for.

The Rhine and the Main, Hesse's most famous rivers, account for only 107 and 77 kilometers of the state's 20,000 kilometers of waterways. They are outranked by the Fulda, namesake of the charming eastern Hessian city, at 203 kilometers (including its tributary the Eder). The Eder's reservoir, the largest body of water in the state, is often called –

rather vaingloriously – the Hessian Mediterranean.

## The mountain route

The Rheingau is one of the world's most celebrated wine-growing areas. Well-regarded wines are also grown along southern Hesse's *Bergstrasse* ("mountain route"), whose exceptionally mild climate produces a full-blooded *Bergsträsser* white wine.

Hesse's *Wasserkuppe*, a promontory 950 meters above sea level, has been German's main venue for sailplanning since 1911. Snow permitting, the *Wasserkuppe* is also a center for winter sports.

The Rhön area's trove of rare flora and fauna led Unesco to declare it one of the world's "biosphere reserves." It is one of the state's nine nature parks, which occupy 29 percent of its total area. Hesse also has 225 conservation areas and 302 areas consigned to landscape-protection schemes.

## Watchdogs

Among the national institutions and agencies located in Hesse – including Frankfurt's Deutsche Bundesbank and European Monetary Institute – is the source of the facts and figures the Bun-



*The marketplace at Heppenheim, near the Odenwald in the southern part of the state.*

desbank uses in making its decisions: Wiesbaden's Statistisches Bundesamt (Federal Office of Statistics). Helping the Bundesbank to keep a cold, clear eye on government spending is its Frankfurt neighbor, the Bundesrechnungshof, the watchdog agency equivalent to the U.S. Government Accounting Office. One focus of their attention is the Bundeshaushaltverwaltung, located in Frankfurt's Bad Homburg suburb and responsible for administering Germany's public-sector debt.

**Smugglers** abhor and avoid, whenever possible, home to 500 publishing houses, many of them among the largest in Germany, plus the institution organizing the book fair and presiding over the country's book trade, the Börsenverein des Deutschen Buchhandels.

All of the books written in Frankfurt – or anywhere else in Germany – in the postwar era are to be found in the shelves of the Deutsche Bibliothek, with nearly 5 million volumes and the official library of record in the country. One of its two main branches is located in the city, as are 250 other general and specialized libraries and 115 bookstores. ■

## HESSIANS ON HESSE

The countryside around Wetzlar has "an ineffable beauty," reported Johann Wolfgang von Goethe. Wetzlar itself was "unpleasant." The great man of German letters, a native of Frankfurt, had compelling reasons for his discordant views, ones having little to do with the actual qualities of the city and its surroundings.

The latter opinion was rendered just after his arrival in the city in 1772, and just after he had started a stint of "boring" law-clerkling. The former dates from after his encounter with Charlotte Buff, the love of his early life. She was the inspiration for the heroine of "Sorrows of Young Werther" and Goethe's constant companion on long rides.

Another man of German letters, Jacob Grimm, gave a mixed review to Marburg. "Marburg and its surroundings are undeniably beautiful, especially when one is standing in the vicinity of the city's castle and looking down on the city below. The city itself is very ugly, because the streets have more steps in them. I believe, that the residents' houses do."

## USEFUL ADDRESSES

**State of Hesse**  
**State Chancellery**  
**Information and Documentation Office**  
Bierstadter Strasse 2  
D-65189 Wiesbaden  
Tel.: (49 611) 32 39 58  
Fax: (49 611) 32 38 00

**State of Hesse**  
**Ministry of Economic Affairs, Transport and State Development**  
Kaiser-Friedrich-Ring 75  
D-65185 Wiesbaden  
Tel.: (49 611) 815 0  
Fax: (49 611) 815 22 25

**Wirtschaftsförderung Hessen**  
**Investitionsbank AG**  
**Hessische Landesentwicklungs- und Treuhandgesellschaft HLT**  
Abraham-Lincoln-Strasse 38-42  
D-65189 Wiesbaden  
Tel.: (49 611) 774 0  
Fax: (49 611) 774 625

HLT provides a complete range of business development services and information.

**FAG**  
**Flughafen Frankfurt Main AG**  
Frankfurt/Main Airport Authority  
D-60547 Frankfurt/Main  
Tel.: (49 69) 690 1 (switchboard)  
(49 69) 690 30511 (general and flight information)  
Fax: (49 69) 690 55071

Internet: <http://www.frankfurt-airport.de>  
Frankfurt's site on the World Wide Web provides information on flight arrivals and departures and on the travel-related services provided at the airport. As of early 1996, the Web site will supply information on current flight status.

**Rowenta-Werke GmbH**  
Waldrasse 232  
D-63071 Offenbach  
Tel.: (49 69) 85 040  
Fax: (49 69) 8504 4 66

**Leica Mikroskopie und Systeme GmbH**  
Ernst-Leitz-Strasse  
D-35578 Wetzlar  
Tel.: (49 6441) 29 22 01  
Fax: (49 6441) 29 25 55

**Adam Opel AG**  
D-65423 Rüsselsheim  
Tel.: (49 6142) 66 54 93  
Fax: (49 6142) 66 80 55

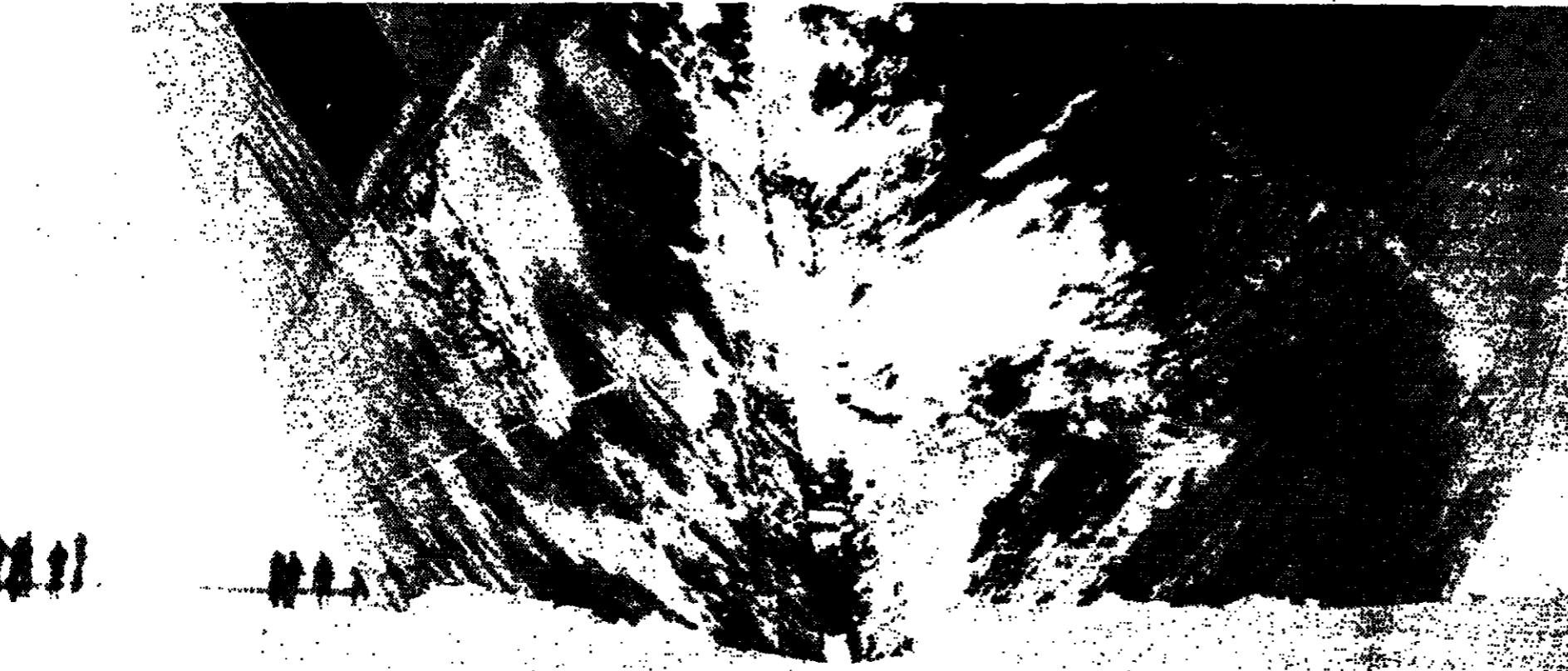
**Helaba**  
**Landesbank Hessen-Thüringen Girozentrale**  
Junghofstrasse 18-26  
D-60311 Frankfurt/Main  
Tel.: (49 69) 132 01  
Fax: (49 69) 29 15 17

**Degussa AG**  
Weissfrauenstrasse 9  
D-60311 Frankfurt/Main  
Tel.: (49 69) 218 01  
Fax: (49 69) 218 37 43

**Messe Frankfurt/M. GmbH**  
Ludwig-Erhard-Anlage 1  
D-60327 Frankfurt/Main  
POB 15 02 10  
D-60062 Frankfurt/Main  
Tel.: (49 69) 75 75 0  
Fax: (49 69) 75 75 64 33

© COMPTON'S PUBLISHING

## Breaking through: The new style of Business-Banking.



Identifying problems. Breaking through them. That's our idea of a new business-Banking style. By specialists who are there for you 100 percent. Backed by the financial power of a major bank with international commitments. Whether in structured financing such as leveraged transactions, project and treasury financing, or in implementing integrat-

ed real estate concepts. We always tailor our financial instruments to your specific problems, getting you to the exact on-target solution faster. We're here to see you make the breakthrough.

## Helaba

**Closer to business.**  
Landesbank Hessen-Thüringen  
Girozentrale Frankfurt/Main  
Haus der Finanzen



# Herald Tribune

# SPORTS

PAGE 26

FRIDAY, DECEMBER 15, 1995

## WORLD ROUNDUP



Arantxa Sanchez Vicario can face inquiry over her tax status.

## Sanchez Tax Probe

TELEGRAM Spanish officials are trying to determine whether tennis star Arantxa Sanchez Vicario has been violating tax laws.

El Mundo, a daily newspaper, said Wednesday that the probe centers on Sanchez Vicario's declaration of residency in Andorra, a small state with a benign tax regime in the Pyrenees.

Tax officials are considering the possibility that Sanchez Vicario violated two requirements of people who declare themselves nonresidents: they must spend 183 days each year in another country and not center their business operations in their native country.

(AP)

## Athens Seeks 2004 Games

OLYMPICS Athens, which once vowed never to bid for another Olympic Games, will apply to host the 2004 summer games, Greece's Olympic committee said. That takes the number of declared candidates to 10. Buenos Aires and Rio de Janeiro both submitted bids Thursday in Lausanne, Switzerland. Other declared candidates are Cape Town, Puerto Rico, Rome, Lille, Istanbul, St. Petersburg, Stockholm and Seville. (Reuters, AP)

## Foreman to Bow Out

BOXING George Foreman, the former heavyweight champion, will end his career where it began — at Madison Square Garden, New York — with a fight against Michael Moore on Feb. 29. "This is Foreman's final fight, no ifs, ands or buts," said the promoter Bob Arum. (Reuters)

## Croatian Offer to Bosnia

SOCCER Croatia offered Bosnia the use of its stadiums after the two former Yugoslav republics were grouped together along with Slovenia in the qualifying draw for the 1998 World Cup finals. "We are pleased that the Slovene and Bosnian squads have been drawn in the same group, as both of them are our neighbors," said Ante Pavlovic, the Croatian federation secretary. (Reuters)

## The Corporate Canadiens

ICE HOCKEY The Montreal Canadiens will join the ranks of teams playing in corporate-sponsored buildings on March 16 when they leave the historic Forum for the Molson Centre. Ronald Corey, the Canadiens president, said the arena would be named for the brewery that funded it and owns the team. (Reuters)

## SCOREBOARD

## BASKETBALL

## NBA STANDINGS

## EASTERN CONFERENCE

## ATLANTIC DIVISION

## CENTRAL DIVISION

## WESTERN CONFERENCE

## NORTHWEST DIVISION

## PACIFIC DIVISION

## TOP 25 COLLEGE RECORDS

## TOP 25 COLLEGE RECORDS

## MAJOR COLLEGE RECORDS

## WESTERN CONFERENCE RECORDS

## NHL STANDINGS

## EASTERN CONFERENCE

## ATLANTIC DIVISION

## NHL STANDINGS



## OBSERVER

## Downsizing the Dow

By Russell Baker

**N**EW YORK — Everybody with enough sense to look over his shoulder when walking down a dark alley is now familiar with the stock market's spooky response to news that a lot of human beings have been fired in another industrial "downsizing."

The stock market booms.

From this you might sensibly reason that a new high for the Dow Jones is terrible news. (More people out of work, more unpayable consumer debt, fewer buyers for the products of capitalism's great engines.)

So why are rises in stock-market indicators always treated as good news? Television's network anchors faithfully announce each day's Dow Jones average as though it told us something important. On banner days, though, when the Dow Jones breaks 3,000, or 4,000, or 5,000, the anchors always manage to sound as though something splendid has occurred.

Here is one of the mysteries of economics which explain why it used to be called "the dismal science" before governments and newspapers began taking economists as seriously as economists took themselves. The mystery in this case is one of those "plain-as-the-nose-on-your-face" exercises.

Wherever you go nowadays, you meet people worried about their jobs. Economists of course don't care much for the testimony of people. "Anecdotal evidence," they call it, suggesting it is worthless listening to mere people.

However, there are polls — serious, scholarly, scientific polls free of odious anecdotal taint — and they tell the same story: people fearful, unable to

keep up, discouraged about the future. Then there are statistics. Everybody loves statistics. The statistic shows people, in fact, are not keeping up. What's plain as the nose on your face is that the economy is in the dumps.

So why are these ever-rising market averages hailed as good news? The market would seem to be cheering about another 10,000, or 15,000, or 25,000 workers being fired by yet another American corporation.

It's all right for markets to cheer the advance of human misery. Markets are supposed to be tough guys, steel-whiskered guys, take-no-prisoners guys.

Ah, the mysteries of economics . . . For instance, do these Washington budget-balancers really believe they can plan seven years ahead with any chance of not being 10,000 percent off their estimates when Time and Chance doth get through happeneting to us all?

You and I, friend, may not be Methuselahs, but we have seen enough to know that seven years will almost always produce so many unanticipated changes that this talk of seven-year budget-balancing schemes must be childishly innocent.

How long did it take for the oil embargoes to destroy the old dollar and produce the tremendous inflation that changed the character of American economic life? It was done in a couple of brutal years. The amazing Reagan budget deficit that haunts us still was designed and adopted in single Congress.

These preposterous economic upheavals happen constantly. Expecting the preposterous to restrain itself from happening for the next seven years is surely asking a lot of whimsical Miss Destiny.

New York Times Service

## Marianne Faithfull and Her Weimar Connection

By Mike Zwerin  
*International Herald Tribune*

**P**ARIS — Billed as "The Weimar Cabaret," Marianne Faithfull recently toured Europe with her accompanist Paul Trueblood. She loves being part of a team named Faithfull and Trueblood.

They were performing the Berlin theater songs of Kurt Weill, plus a few others like "Falling in Love Again." Choosing repertoire, her yardstick is that it has to be as good as a Kurt Weill song.

"When she sang Van Morrison's 'Madame George,'" he told her it sounded like Weill. People say every song she sings sounds like Weill.

"The Weimar Cabaret" began at the Brooklyn Academy of Music in April, as part of a weekend of "20th-Century Decadent Music." She performed with Trueblood and sang the Kurt Weill/Bertolt Brecht collaboration "The Seven Deadly Sins" with the Brooklyn Philharmonic.

"Actually, this music's not really decadent," she said, backstage at the New Morning before a concert. "but it suited the program somehow. I never wrote myself down as the epitome of 20th-century decadence. Anyway, if I had the choice, I don't think I'd pick the 20th. Maybe the 18th is my fave."

"Somebody who was asked what century he would have preferred to live in said 'the 18th with penicillin.' I think it was W.H. Auden," I said.

"Poor Wystan," she replied. "That's pathetic. Much too safe. Typical intellectual stuff."

After being known as "Mick Jagger's bimbo" in "Swinging London," and after considerable, serious and widely known drug abuse, she has become everybody's favorite intellectual pop star. She tries to impress you with her intellect, like making sure you know she knows Auden's first name. This reflects a rather attractive vulnerability rather than snobism.

She has played Pirate Jenny in a production of "The Threepenny Opera" at the Gate Theatre in Dublin. Weill's Berlin theater songs are tricky.

More like arias than Broadway songs, their dissonant harmonies make it difficult to pick out the melody. She finds it "heaven and hell at the same time." Having the gift of perfect pitch helps her. But these songs are not everybody's cup of tea." Faithfull and Trueblood suffered minimal audience response in Los Angeles. Singing Weill with only piano accompaniment is sort of like working the high wire without a net.

"Well," she said, "my whole life has been like that. It seems to give me a rush."

Along with "Broken English," one of her best known post-'60s recordings, she had another hit with Heathcote Williams's fearlessly scatological "Why'd Ya Do It?" Friends and advisers warned her against the song, but even all the C and F words somehow added to her considerable grace. No net.

Before performing "The Seven Deadly Sins," she caught an early morning train from New York to Philadelphia to get permission from the Kurt Weill Foundation: "You don't really need their approval, but it helps. They can make it hard for you. You are sure the scores they send you are correct. I thought they probably preferred a more classical voice, and that they figured I was some sort of rock 'n' roll floozy. But I knew I could convince them that my voice was fabulous to sing Kurt Weill. And I did."

Part of what attracted her to Weill is that the Weimar period "has a lot to do with the '60s. In both of those brief moments, some important things happened. They were both extraordinarily creative times. They were, well . . . decadent." Another attraction has to do with her family.

Having "just discovered" Karl Kraus was an "important event" for her. Austrian critic and writer Kraus founded and edited the political and literary review *Die Fackel* (The Torch). He was a converted Jew, as was her mother. "They were both tormented by that. My mother loved to quote his aphorism: 'Psychoanalysis is the disease for which it claims to be the cure.' What Kraus has to do with Kurt



Her yardstick "is that it has to be as good as a Kurt Weill song."

Weill and me is that I'm researching my second book which is about my mother and father, mostly my mother. She was the Baroness von Sacher-Masoch. Where are my cigarettes?"

She has been speaking slowly because "if I'm going to say anything about something I care about I'd rather get it right. Eva, my mother, came from a long line of Austro-Hungarian aristocrats. My father Major Glynn Faithfull was a spy for British intelligence. I got my blonde hair from my Jewish side. My great uncle was Leopold Baron von Sacher-Masoch, whose writing gave birth to the term masochism. . . . Is this boring you? Marianne banging on about her Jewish blood?"

She'll be researching the book at home, near Dublin, where she's a "resident alien. I do not have an Irish passport. But I do have their artist tax exemption. I didn't go there for that reason, I had friends there. But I'm very grateful to the republic."

Asked if she voted for or against divorce, she replied: "I don't comment on Irish politics. I think it would be presumptuous."

She was putting on makeup for a photographer. She does not need makeup to be photogenic. "That's my whole life, man — resident alien," she added.

The new year is promising without being crowded, a convenient schedule for commuting from Dublin. There's a review called "20th-Century Pop" in New York's Rainbow Room in collaboration with *The Crystals*, and the Ronettes' Mary Clayton. Faithfull and her friend Hal Wilner (who co-produces her records and is responsible for the soundtrack of Robert Altman's latest film "Kansas City") will co-produce an album for the connection Sandra Bernhard, who also sings. Basically, though, it's the book.

"Ms. Faithfull's like a tree struck by lightning," Jon Pareles recently wrote in *The New York Times*. She likes the image: "I think it's a compliment. The way I see it, it's a living growing tree. Healthy — just a bit blasted. I mean, the tree's still there."

## WEATHER

## Europe

	Today	High	Low	W	Tomorrow	High	Low	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
Amsterdam	8/11	10/12	7/9	W	10/12	12/14	8/10	W
Antwerp	8/11	10/12	7/9	W	10/12	12/14	8/10	W
Brussels	8/11	10/12	7/9	W	10/12	12/14	8/10	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Belfast	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Paris	14/17	14/18	13/14	W	14/17	14/18	13/14	W
London	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Edinburgh	12/15	14/16	11/13	W	14/16	16/18	12/14	W
Glasgow</								